

Escalating Indo-Pak defence expenditure and continuing arms race

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WITH the installation of United People's Alliance government (UPA) in Delhi, one would have thought that the belligerency in Indian foreign and defence policy, as demonstrated by the rightwing BJP would diminish. But, looking at the increased defence budget for year 2004-05 it seems otherwise, although the newly installed government has vowed to continue the process of rapprochement, initiated by the NDA government, with its archival Pakistan.

The Union budget that the Indian Finance Minister P. Chidambaram presented for the FY 2004-2005 provides Rs.770 billion for defence. It represents an increase of 16.7 percent over the last year's amount of Rs. 653 billion. The phenomenal increase in India's defence budget by a government, conglomerate of both left and center parties, has surprised all, especially Pakistan in particular and other South Asian countries in general.

As a first reaction, Pakistan, that had a similar rise from 2.8 billion dollars to 3.4 billion in its own defence budget, i.e. of 21.7%, indicated that India's increased allocation proved that Delhi is continuing with the arms race in South Asia, which is already acknowledged to be the most heavily armed region. Interestingly, two out of the seven declared nuclear states are in South Asia, with common boundary and long-standing unresolved disputes. They have a combined total of approximately two million in regular forces with preponderance of the weight towards India.

According to Indian defence analysts, the bulk of the defence budget is in fact revenue expenditure that goes into salaries, stores, works and transportation. Indian

defence ministry, mindful of local production and development, allocates 5.3 percent of defence budget for research and development. According to analysts, a very meager amount is allocated or available for force modernization.

Therefore, it was no surprise when Indian Congress dominated UPA's finance minister P. Chidambaram said, "the phenomenal increase in the defence budget allocation is born out of the govern-

4.4 percent in 1987-92, period. Despite the increase this year, India's defence budget does not exceed 2.5 percent in comparison with 6 percent of China's and 5.5 of Pakistan's GDP. But, one has to look at the increase in GDP as well while making that distinction.

Indian defence outlay allocates Rs 33,483 crores out of a total of Rs 77,000 crores to buy new weapon systems this year. Last year, money allocated for defence purchases was

Systems to buy 65 Hawk Advanced Jet Trainers (AJT). Delhi has felt the urgent need for aircraft carrier as her old carriers are out of commission. Early this year, Delhi finalised a multi-million dollar deal with Russia to acquire, "Admiral Gorshkov", the aircraft carrier.

Out of a total 3,414 old Soviet T-55 series tanks, 1200 are being replaced by T-90s in phases. It is also reported that the Indian Army will spend about Rs. 4,000 crores to add fire-

that tension between the two neighbours were fast easing as both the countries desired a long lasting peaceful co-existence.

In a recent, unprecedented move, both Delhi and Islamabad met to workout modalities for initiating nuclear Confidence Building Measures (CBM). The move is seen as their endeavours to ease international pressure on both, to scale down the nuclear rhetoric. Yet, when asked about the rise, Pakistani government officials explained that their fight against al-Qaeda in the North and Northwest necessitated the increase. But facts state otherwise. After attaining non-NATO member status, Islamabad now finds it easier to make up at least the existing gap in its strategic force level. Islamabad is expected to buy refurbished squadron of F-16s from Sweden, the sale that US had not earlier approved. According to a recent report, Islamabad is negotiating purchase of AWACS from the Scandinavian countries, to bring parity with India in strategic command control system.

Islamabad also argues that it needs extra money to fight the rising tide of Islamic militancy that is causing serious disruptions in its trade capital, Karachi. Privately, informed Pakistanis argue that they can never lower their guard howsoever the relation between the two South Asian (SA) giants may develop. Islamabad had to maintain force parity by adding more and more force multiplier as deterrence. Many policy makers in Islamabad believe that a large-scale war was averted in 2000 because of Pakistan's nuclear deterrence; many Pakistanis would buy that argument.

Over decades, Indian defence has transformed from the Nehruvian 'insular defence' to Rajib's doctrine of 'peninsular defence'. The doctrine that was

zealously pursued by rightwing parties with added impetus of setting up 'nuclear command'. In the last five years, notwithstanding the Kargil conflict, the NDA government doggedly pursued force modernization with close cooperation of the western countries, especially Israel's. In fact Israel became the main source of high-tech weapon supply, almost replacing India's traditional partner, Russia.

For obvious reasons there would be no letup in defence expenditure even after political ideology changes in Delhi. One must note that India's defence development accelerated since India suffered a humiliating defeat at the hands of China in 1962 and Nehru was castigated for neglecting India's defence needs. There was a near military coup as an outcome of that war. Since then, no government has taken any chance to scale down the defence development.

Apart from the conventional forces, both India and Pakistan have continued building up their nuclear arsenal. Money spent on Research and Development on those remains unexplained. If that unexplained expenditure is added, the defence budgets of both would escalate even further than what is projected.

One has to accept that SA is nuclearised and would stay so for the foreseeable future. There would be no letup in defence spending and in the arms race between the two, however friendly an atmosphere may prevail, unless basic disputes are settled and nuclear arsenal rolled back. One may like it or not, other smaller SA countries would also witness escalation in defence expenditure for some times to come. With a fluid world scenario, SA would witness a continuing arms race in the foreseeable future.

The author is a defence analyst

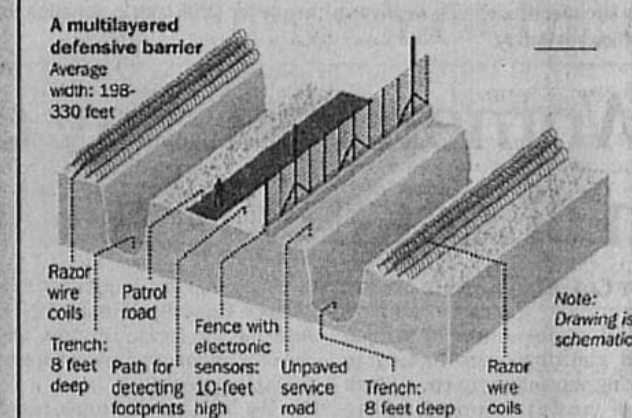
SNIPPETS

Pakistan to buy another 28 Mirages from Libya

ISLAMABAD: Close on the heels of purchase of 50 Mirage combat jets from Libya, Pakistan is mulling another deal to buy 28 aircraft from the African country, officials said. "The two sides have had many rounds of talks" on purchasing the additional aircraft, which are in a semi-operational condition, according to a senior defence official.

The aircraft purchased in the previous deal, as also a large quantity of spares, have begun arriving in Pakistan. Some of these aircraft will be inducted into service and some will be cannibalised for spares, the official said. The Libyan Air Force initially wanted to retain these Mirages but the F-1 level upgrade proposed by the French was proving too costly. Besides, with sanctions against Tripoli lifted, the Libyan government would rather opt for modern fighters, the official said.

Sketch of Israeli Wall



India keen on boosting defence ties with Israel

NEW DELHI: India's new government has signalled its desire to strengthen defence ties with Israel by sending two of its top military officials to that country to discuss cooperation and arms deals.

The Indian Navy's vice chief, Vice Admiral Arun Prakash, recently, began a three-day visit to Israel, while his army counterpart, Lt. Gen. Shantanu Choudhary, was there last month.

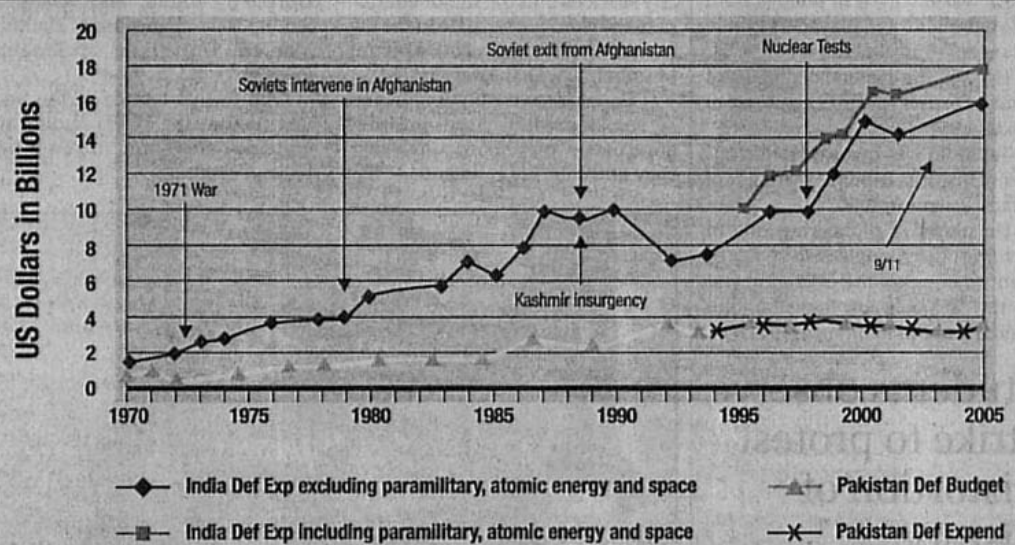
The visits come at a time when the Left, which is propping up Prime Minister Manmohan Singh's coalition government from the outside, has demanded that New Delhi should scale down its strategic ties with Tel Aviv in view of India's support for the Palestinian cause.

The Indian military establishment, keen on enhancing ties with Israel to gain access to cutting edge military technologies and weapon systems, has the backing of Defence Minister Pranab Mukherjee, who has made it clear that ties with Tel Aviv will "continue".

"I do not visualise any problem in a multiparty government. We may have divergent views but there is convergence of views when it comes to securing the country," Mukherjee said soon after assuming office.

Source: Internet

Defense Expenditures, India and Pakistan, 1970 - 2005



STAR GRAPHICS

Data Internet

ment's 'determination' to eliminate all delays in the modernisation of the defence forces". He further added, "Having regard to the trend of defence capital expenditure in recent years, it has become necessary to make a higher allocation this year".

India's defence budget has however hardly exceeded 3 percent of GDP during 1966-86, which rose to

only Rs 20,953 crores. The budget allocates payment for Phalcon AWACS (airborne warning and control system) being procured from Israel and for upgrading the old fleet of MIG-29s. The Indian Air Force is to replace its ageing fleet of MIG-21s and has completed all formalities to acquire 125 multipurpose fighters. Delhi has already signed a deal with Britain's BAe

power to its infantry. Delhi is currently negotiating some big arms deals that include Anti-ballistic Missile System (ABM).

Pakistan, having kept its defence budget frozen for three years to the level of Rs. 193 billion, made a quantum increase this year i.e. by 21.7 percent, to maintain some sort of parity with its rival. This increase was made notwithstanding the fact

China's new security concept

DEVKA SHARMA

THE Shanghai spirit moved into the next phase of its development as the fourth summit of the six-member Shanghai Cooperation Organisation (SCO) began at Tashkent, Uzbekistan on May 17, 2004. From a security-centred organisation that came into being in June 2001, the Tashkent Declaration signed on May 17 expanded the scope of the SCO to issues concerning economic cooperation, poverty eradication and trade.

The summit formalised all-round support for a comprehensive approach to maintaining security in Central Asia. In the security sphere, the countries reiterated their common resolve to fight the "three forces of terrorism, separatism and extremism" and other transnational problems like drug smuggling. Member countries strengthened their commitment to "counter new security threats" by carrying out joint anti-terrorism exercises, controlling illegal trade in weapons and ammunition, explosives, mercenaries and so on.

A Regional Anti-Terrorism Structure (RATS) was set up at Tashkent; thereby emphasising the importance that transnational terrorism has assumed for Central Asia, Russia, and China. Taking cognisance of the situation in Afghanistan, members also agreed that drug trafficking along Afghan borders and the reconstruction of Afghanistan is inextricably linked to security in Central Asia.

However, the SCO made significant strides in the economic sphere. Member countries recognised that forging stronger economic ties is instrumental in rooting out poverty, itself the cause of much of the unrest in the region. To this end, SCO members established five specialised working groups to deal with e-commerce, customs, investment promotion and so on. An agreement on the measures to boost trade in the region and formulate legislation that supports the free flow of goods, capital, service and technology was also part of the SCO's agenda.

The implications of SCO's ascent to the 'new stage of full-range cooperation' are twofold. First, it brings to light the role a multilateral organisation like the SCO can play in a region where the struggle for control has been termed 'the new Great Game'. Soon after the fall of the Soviet empire, the Central Asian Republics (CARs) turned to Russia and later to China to ensure the stability of a region that found itself in the throes of an economic crisis, border conflicts and separatist and extremist fervour. The US too found entry points into the Central Asian region through NATO's 'Partnership for Peace' programme of 1994 and the 'Global War on Terror'.

However, the SCO's recent summit highlights the fact that while the US has been busily engaged in conflict in Iraq and Afghanistan, the CARs have turned to an economi-



PLA soldiers during Long March

PHOTO: INTERNET

domination of the CARs and the SCO's anti-US and anti-separatist tenor, fact is the multilateral organisation like the SCO allows the CARs to bargain with countries vying for their resources.

Second, from China's perspective, the SCO represents one example of China's 'soaring influence' in Asia. China's involvement in the SCO is as much a product of finding mutually beneficial economic relations as it is of China's 'New Security Concept'. More and more countries are seeing China's economic growth as an opportunity.

More importantly, China's quest for new sources of energy to fuel its bustling economy has brought about a more active role for China in the international arena. Developing the western region of China is an important policy of the Chinese Government, which is inter-linked to developing better economic

relations with the neighbouring CARs. In the SCO summit held last week, President Hu pledged US\$900 million in loans and trade credits to SCO members for the balanced development of the region.

The SCO is also the best example of China's 'New Security Concept' at work. The new security concept was first given expression in China's defence white paper in July 1998. The new concept was proposed as

Source: ORF, New Delhi, website.

Composite dialogue: glimmer of hope for South Asia?

DR ABDUR ROB KHAN

ANY prediction on India-Pakistan relations is a formidable task because of the degree of volatility embedded in the relations. If at one point of time South Asia is described as the 'most dangerous place on earth' because of the imminent crisis of nuclear wars between India and Pakistan, the next moment there are signs of breakthrough between the two on the horizon.

At this vantage point of time, the world is witnessing very positive developments in India-Pakistan relations. The January 6 agreement between former Indian PM Vajpayee and Pakistan President Pervez Musharraf to hold composite dialogue on all bilateral issues including Kashmir was followed up in February and again in June. Foreign secretary level talks were held early June in which they agreed to notify each other before testing missiles and to restore full diplomatic missions to their full strength. Both agreed that they would hold more 'sustained and serious talks' to resolve the dispute over Kashmir and arrive at a peaceful negotiated final settlement. A week ago, both sides agreed to set up a telephone hotline to alert each other of potential nuclear risks and prevent misunderstanding. They also agreed to continue a moratorium on nuclear tests that has been in place since 1998, although the countries could resume testing if either country believed 'extraordinary events' threatened its security.

Top diplomats of India and Pakistan have met again on the sidelines of another SAARC event, meeting of the Standing Council of Ministers attended by top officials and Foreign Ministers of the SAARC countries. The Foreign Secretary level meeting has been fifth this year and will prepare the ground for talks between the Foreign Ministers. A spokesman of the Pakistan foreign ministry told, "The peace process is moving on twin tracks of confidence-building measures and dialogue".

The two nuclear arch-rivals in South Asia came close to wars in 2002 but peace process was set in motion in April 2003 when the former Indian PM extended hands of peace to Pakistan while on a visit to the conflict-ridden Indian state of Kashmir. The process culminated in the summit meeting on the sidelines of the 12th SAARC summit early January this year. Observers and analysts believe early June talks 'lived up to reasonable and realistic expectations'.

The talks were the first test of Indian willingness under a Congress-led government, to resolve the Kashmir dispute. Although

Congress is known to be more conservative as far as making concessions to neighbours were concerned, continuation of the peace process despite change of saddles in New Delhi raises hope among observers. C. Rajamohan of Jawaharlal Nehru University says the talks contained, 'some useful steps towards the normalisation of relations'. Former Pakistani Foreign Secretary, Tanvir Ahmed Khan says, "There is a resolve to come to grips with the Kashmir problem".

The developments described above seem to be a linear progression of a process that seemed to be a turning back from the near-war situation two years back. Just to give a chronological outline to bring out the volatility of Indo-Pakistan relations, the attack on the Indian Parliament in December 2001 led to rapid worsening of bilateral rela-

Although any breakthrough over Kashmir will be unthinkable, continuation of peace talks in a composite manner, including the two-track CBMs, will keep both India and Pakistan happy: India, because Pakistan's perceived aiding of the Kashmiri militants will remain naturally reduced, Pakistan, because Kashmir is on the agenda. Consequently, there is likelihood of faster progress in economic, cultural and other areas of co-operation.

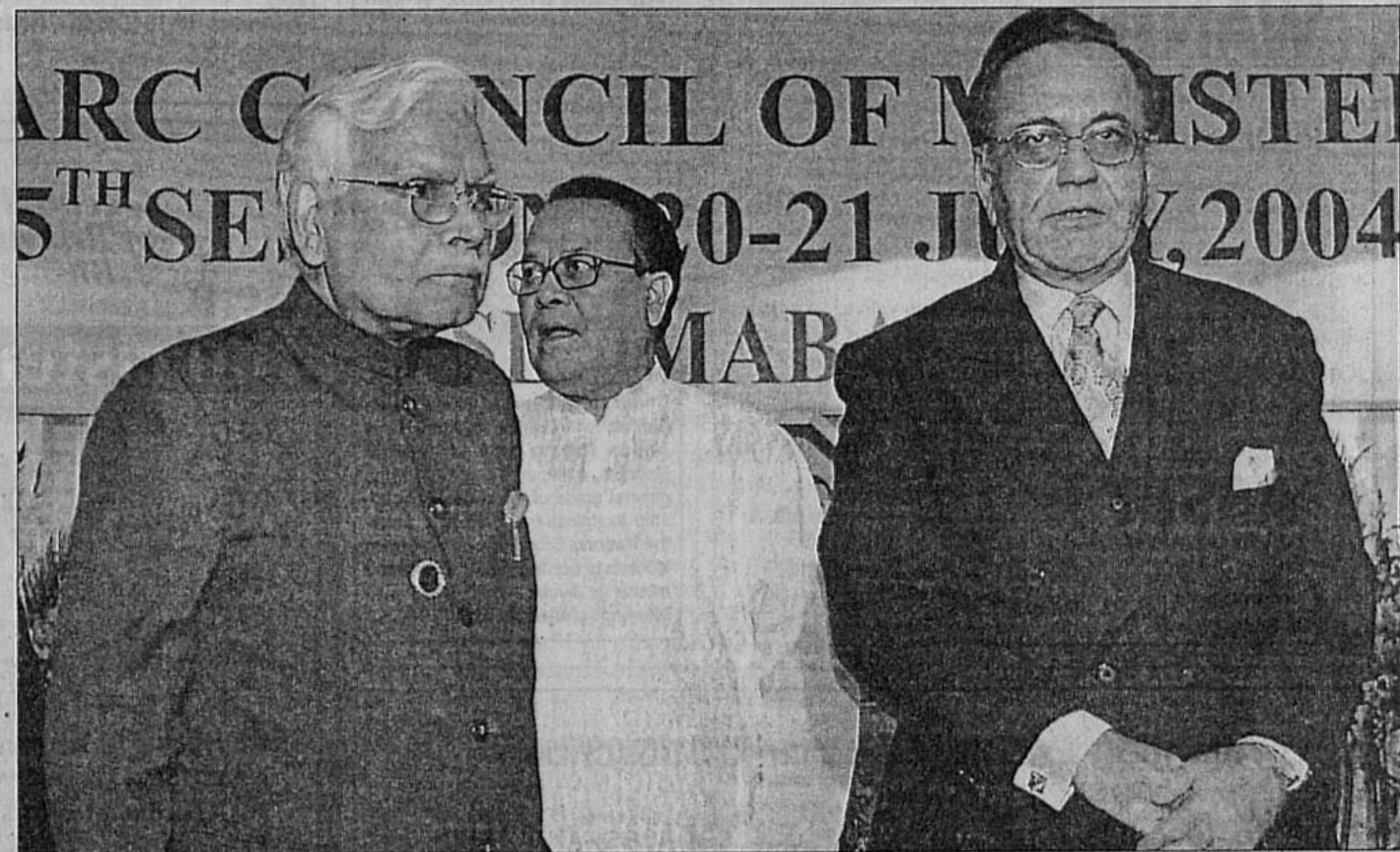
resumption of direct air links, historic Musharraf-Vajpayee meeting in January 2004 on the sidelines of the 12th SAARC Summit, first meeting between the moderates in the main Kashmiri separatist alliance

cricket tour of Pakistan since 1989. Pakistan welcomed a statement by Man Mohan Singh, the Indian PM, pledging continuity of the ongoing normalisation process between India and Pakistan.

freedom struggle against Indian oppressive rule. How Pakistan will react to the scenario is something to be seen, although the recent peace talks indicate that a 'broad regime of confidence building measures' may not be affected by these usual irritants in bilateral relations.

Then, sudden rise of violence in Kashmir on the eve of the talks indicates the restlessness of the Kashmiris who want to be part of the peace process, a demand to which both India and Pakistan are opposed. Many Kashmiris have expressed disappointment that Kashmiris are not there in the talks aimed at resolving the Kashmiri problem.

Although any breakthrough over Kashmir will be unthinkable, continuation of peace talks in a composite manner, including the two-track CBMs, will keep both India



Foreign Ministers of India, Bangladesh and Pakistan at the recent SAARC Conference in Islamabad.

tions to such an extent that the two countries came almost to the brink of a war. In April 2003, Indian PM Vajpayee offered 'hands of friendship' to Pakistan and a series of positive steps followed in bilateral relations. These included resumption of bus services, resumption of full diplomatic relations at High Commissioners' level, joint independence day celebration, series of measures by India to improve relations with Pakistan and forging progress in Kashmir dispute, effecting cease-fire along the LoC,

and the Indian government.

It is also significant that strategic developments like busting of what is called 'nuclear black market' in the person of the father of Pakistan nuclear-technology, Dr. Abdul Qadir Khan, did not affect India-Pakistan relations. In February 2004, India and Pakistan held first official talks in three years with Kashmir high on the agenda. In March 2004, around 30,000 cricket fans watched India beat Pakistan in the historic first contest of their first

There are of course, reminders of other side of the reality. The Indian government reported near completion of the fencing of the 742-km Kashmir border. Indian Defence Minister Pranab Mukherji is on record to have said that the fencing will not lead to force reduction in the battle-worn state. India has been accusing Pakistan of arming and facilitating infiltration of militants from across the Pakistan-held Kashmir. Pakistan, on the other hand, rejected the allegation saying that militancy is an indigenous

and Pakistan happy: India, because Pakistan's perceived aiding of the Kashmiri militants will remain naturally reduced, Pakistan, because Kashmir is on the agenda. Consequently, there is likelihood of faster progress in economic, cultural and other areas of co-operation.

That possibly is the best possible scenario for the moment.

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PHOTO: AFP