

Editorial

In the editorial of the previous issue, we had opined that the new government and the defence services had much to do on the defence modernization front: updating of operational concepts and doctrines, rethinking force rationalization, and technology upgradation, reforms in the defence procurement process, and strengthening the domestic defence industrial base. We hoped that the defence budget, which at the time was yet to be announced, would go some way towards achieving these goals. Were our expectations a little high? Perhaps so, as the defence budget for the year 2014-15 appeared to be a bit of a dampener since only an additional sum of ₹ 5,000 crore over the allocation made in the interim budget was provided for. The defence budget for 2014 now stands at ₹ 2,29,000 crore, an increase of 12.43 per cent over the previous year's revised estimates. This increase, however, is likely to be neutralized by almost 10 per cent inflation over the last year. No provision has been made for major acquisitions like Medium Multi-Role Combat Aircraft (MMRCA), new submarines or artillery guns, which the Indian Navy and Army desperately require. With the commencement of the raising of a new Strike Corps for the Northern Borders, both the capital and revenue expenditure of the Army will go up significantly; moreover, there will be greater requirement for equipment to ensure combat readiness of the forces. All these will require higher allocations going forward. Although the current Finance Minister, like his predecessors, has assured Parliament that funds will not be a constraint for India's defence preparedness and modernization, pertinent questions remain unanswered on the urgency and seriousness that this government attaches to defence preparedness. At the same time, we are aware that the country cannot spend beyond its means and the need for fiscal prudence cannot be brushed aside. It is hoped that once economic growth gathers greater momentum, more funds will be made available incrementally to meet the demands of the armed forces' capital acquisitions and revenue expenditure.

The inadequacy of budgetary allocations to defence notwithstanding, the government has taken some important measures towards speeding

up defence acquisition and indigenization of defence production. The Foreign Direct Investment (FDI) cap in the defence sector has been raised from 26 per cent to 49 per cent. The industrial licensing process has been streamlined wherein a large number of parts/components, casting/forgings, etc., have been excluded from the purview of industrial licensing. Similarly, dual use items will also not require industrial licensing from the defence angle. The initial validity period of industrial licences has also been increased from two to three years. A new defence export strategy has also been articulated and there is a clear emphasis on the procurement of military equipment from indigenous sources, including the private sector. The decision to exclude the defence public sector units (DPSUs) from the Avro Replacement Programme (56 x transport aircraft), manufacture of Landing Platform Docks (LPDs), and 400 x light utility helicopters is a significant measure to encourage private sector participation in the defence production process. Two of the proposed conventional submarines will also be manufactured in private shipyards. The government, it seems, hopes that the private sector will now be motivated to invest in research and development (R&D), absorb advanced defence technology from other foreign partners, and produce quality defence equipment for the Indian armed forces at affordable prices.

In keeping with our focus on defence budgets, procurement and modernization, in this issue we carry the first of two articles focussing on the 'Impact of the Standing Committee's Recommendations on the Defence Budget of the 14th Lok Sabha' (the second article, which will appear in our next issue, focuses on the 15th Lok Sabha). Amit Cowshish explains the functioning of the Parliamentary Standing Committee on Defence, which examines the detailed demand for grants (DDGs) provided by the Ministry of Defence on behalf of Parliament. He focuses on the role of the committee and the manner in which it examined the DDGs over a 10-year period from 2004-05 to 2013-14, and analyses the impact of its recommendations on the trajectory of the overall defence budget.

As readers are aware, China has proposed a Maritime Silk Road initiative (as well as one on land), which requires careful consideration by India since joining it offers both opportunities and challenges. Zorawar Daulat Singh's commentary 'Indian Perceptions of China's Maritime Silk Road Idea' addresses the dilemma India faces in this regard. The high profile, robust diplomacy of the current government and the

positive indications of economic growth accelerating in the coming years will certainly raise India's profile in the world and make it a sought-after strategic partner. The recent visit of the Indian Prime Minister to Japan has solidified relations with that country; and the visit of the Chinese President, Xi Jinping, to India in September went well though the stand-off between Indian and Chinese troops in Ladakh's Chumar area cast a long shadow on the talks. The stand-off was an unwelcome development and served to underscore the border issue as a major bone of contention between the two neighbours. After some intense diplomatic negotiations and tough talk the matter was resolved in a manner satisfactory to both parties; this, combined with the fact that the resolution of the issue did not compromise the Indian position in any way, sends a positive signal about India's political will and diplomatic-military capabilities to handle crises. The Prime Minister's visit to the United States will also help in re-invigorating one of India's important bilateral relationships, which will have beneficial effects for our economy, security, and social sector development.

A related, on-going discussion is on the growing importance of the Indo-Pacific region in geopolitical terms. The increasingly worrying situation in Iraq and Ukraine notwithstanding, the US continues with its Pivot to Asia and its focus on China and the Indo-Pacific region. India sees itself as an Asian power, indeed a global power, so a logical question would be where does India see itself in the Indo-Pacific domain? This also raises the question of how the rest of the world, and the key players in the geopolitical game, view India's position therein? In 'Embedding India in Asia: Reaffirming the Indo-Pacific Concept', Chietigj Bajpae discusses the emergence of the Indo-Pacific as a new geopolitical frame of reference embedded in the growing strategic importance of the maritime domain and the rise of states that have demonstrated the ability to 'transcend' their respective subregions. However, Bajpae contends that the Indo-Pacific remains a concept in its infancy, as evidenced by the fact that it continues to compete with other conceptions of regional space in Asia. He argues that India has a vested interest in the survival of this new strategic geography as it serves to reinvigorate the momentum of its post-Cold War re-engagement with Asia under the aegis of its 'Look East' and 'extended neighbourhood' policies, and recommends that India should continue to cultivate the Indo-Pacific concept and ensure its embrace in the region's evolving strategic vocabulary.

The astounding success of the Mars Orbiter Mission in its maiden attempt on 24 September 2014 has enhanced India's scientific and technological prestige globally. The Indian Space Research Organization (ISRO) is the fourth space agency in the world to have successfully reached Mars, no mean feat given that this was India's first interplanetary mission. India thus became the first nation to successfully enter Mars orbit on its first attempt, and the first Asian country to reach the planet. Not only was this managed on a small budget, but, more importantly, it showcased to the world that India's innovation and technological capabilities are second to none. Achievements of this nature in the scientific and technological fields will contribute towards building India's image as an economic and technological powerhouse.

Developments in science and technology have a key role to play in defence preparedness as well, with innovations in these fields having immense scope for military applications. The ubiquitous computer and Internet have become essential to our lives and work, and yet few would stop to think that these were first developed for military purposes. Their spread to the civilian domain occurred much later. In keeping with our focus on science and technology, we look at another field that has emerged with vast potential for research. In this issue, Sanjiv Tomar contributes an article titled 'Nanotechnology: Current Global Trends and Future Military Applications for "Soldier as a System"'. He highlights global efforts in research and development (R&D) in nanotechnology that have been undertaken by many countries in the last decade owing to their far-reaching benefits encompassing the entire arena of science and technology. Tomar opines that the defence field is likely to benefit the most by nanotechnology-enabled applications. The impact of these applications will have direct bearing on the soldier in the battlefield in terms of enhanced protection, lethality, manoeuvrability, communications, health monitoring and surveillance. Tomar's article dwells upon the current global scenario of nanotechnology and how a 'soldier as a system' can be conceived through integration of nanotechnology-enabled applications.

Despite some improvements in India's internal security situation, we are seeing new challenges from external non-state actors like the Al Qaeda and Islamic State (IS; formerly the ISIL or the Islamic State of Iraq and the Levant) that will need careful watching. There are reports that the IS is recruiting youths from Tamil Nadu, Kerala, Maharashtra, and Jammu and Kashmir to fight in West Asia, especially in Iraq and Syria. The fate

of 39 Indians ‘in custody’ of the IS in Iraq remains uncertain. Post the beheadings of two American journalists, an aid worker and a number of soldiers in Iraq and Syria, the US and France have collaborated in striking at IS targets in Iraq and Syria as part of a US-led coalition featuring France, Australia, Denmark, Arab states like Saudi Arabia and the United Arab Emirates, and lately, the United Kingdom. As of date, India has not joined the coalition. Obviously, there are constraints that prevent India from participating militarily in anti-terrorist activities in foreign countries, but, at the same time, there is enough scope for India to contribute in the fight against extremism and terrorism both in its own interests and as a provider of common goods regionally. India will contribute to and benefit from checking the flow of funds to the terrorist organisations, intelligence sharing, capacity building in the fragile states, and taking a strong political stand against the rising tide of extremism. Thus, India must gear up to take on greater responsibilities for providing security to countries in its immediate and extended neighbourhood; contingency planning, therefore, is necessary for India’s involvement beyond its shores, whenever that may become necessary.

These events, indirectly, highlight the importance of intelligence gathering, analysis, and sharing in order to stay on top of the game. We need only look into our past to learn important lessons. Michael Liebig, in ‘Statecraft and Intelligence Analysis in the *Kautilya-Arthashastra*’, opines that the treatise is considerably relevant for the history of ideas of intelligence studies, a sub-discipline of political science. His research shows that in the *Arthashastra*, espionage and other ‘operational’ activities of the secret service—notably ‘active measures’ and ‘covert action’—are addressed often and in detail. In contrast, Kautilya seems to say very little about intelligence analysis, assessment and estimates, which provide the basis of strategic planning and grand strategy, and are key components of statecraft. Liebig’s central proposition is that ‘ideas’ (or meanings) underlying modern intelligence terms are present in the *Arthashastra*, and that its author Kautilya does postulate key methodological and theoretical ideas and concepts for intelligence analysis, assessment, estimates and strategic planning.

The North-East remains an area of concern for the Indian establishment and the military, more so as it is contiguous with Bhutan, China, Bangladesh and Myanmar. In ‘Insurgency in North-East India: External Dynamics’ S.K. Sharma traces the history of state and non-state

elements in India's neighbourhood supporting insurgency in North-East India to weaken the Indian state. He mentions that in the 1960s and 1970s, insurgents from the region, particularly the Naga rebels, had received moral and material support from China. Elements in Pakistan and Bangladesh, too, have aided North-East Indian insurgents from time to time. Sharma opines that the sanctuaries in Bhutan and Myanmar were not the outcome of any adversarial or hostile relations between them and India, but because of these states' inability to adequately administer the border areas or deal effectively with the hostile activities of the Indian insurgents inside their respective borders. This article examines the role played by various external powers in sustaining insurgency in the North-East, the changing external dynamics, and tries to provide a road map for the future.

The issue also carries a five book reviews of the following titles: *India's Military Modernization: Challenges and Prospects*, edited by Rajesh Basrur, Ajaya Kumar Das and Manjeet S. Pardesi; *Energy and Security in South Asia: Cooperation or Conflict?* by Charles K. Ebinger; *Pakistan the Garrison State: Origins, Evolution, Consequences 1947–2011*, by Ishtiaq Ahmed; *Fighting Back: What Governments can do about Terrorism*, edited by Paul Shemella; and *India at Risk*, by Jaswant Singh.

We hope readers will find the articles, commentaries, and book reviews in the issue interesting and useful. We would welcome feedback from our readers on the issue as well as previous issues. We would also like to inform readers that we are planning to publish special issues on Pakistan, Naxalism/Left Wing Extremism in India and are keen to have suggestions/contributions in this regard. Readers would also be aware that 2015 is the 50th anniversary of the 1965 Indo-Pak War; JDS would like to put together a special commemorative issue on the same. Do write in with your ideas/suggestions and inquiry about contributions to nkohli.idsa@nic.in.