

India's defence atmanirbharta pitch is high on rhetoric, low on substance

On Diwali, Prime Minister Narendra Modi spent a few hours with soldiers on the Pakistan border at Kargil. Highlighting Atmanirbhar Bharat, he pointed out that the most important aspect of India's security is the possession of modern indigenous weapons by the armed forces. According to Modi's official website, "Pointing out the benefits of using indigenous weapons, the Prime Minister said that when the jawans of India fight with the weapons made in the country, their faith will be at its peak and their attacks will come with a surprise element for the enemy while crushing the enemy's morale."

This logic postulated by the PM is hard to comprehend for a former soldier like me. In his speech—which was delivered a couple of hundred miles west of where the actual crisis is on the China border at Ladakh—Modi gave the examples of the Prachand light combat helicopters, Tejas fighter jets and the colossal aircraft carrier Vikrant, and also highlighted India's missile strength in the Arihant, Prithvi, Akash, Trishul and Pinaka rockets and Arjun tanks. But he didn't mention the Rudra advanced light helicopter, another indigenously manufactured platform being used by the armed forces.

Just three days before the prime minister's Diwali speech, a Mark IV Rudra crashed in Arunachal Pradesh, killing all five personnel on board. It was the third fatal accident involving an ALH Rudra since January 2021. There are around 300 ALHs across the Indian Air Force, Navy and Army Aviation Corps, besides a few with the Coast Guard, and a one-time preventive check was ordered for the entire fleet to allay apprehensions and restore faith.

But [serious questions](#) remain. These stem from the high-pitched calls for atmanirbharata—self-reliance—in defence by India's top political, bureaucratic and military leaders. It began in 2014 with the slogan "Make in India", but that refrain has been discarded in favour of the new battle cry of "Atmanirbhar Bharat". Eight years ago, the aim was to produce indigenous defence equipment and systems worth \$100 billion by 2020, but the target has since been slashed in half and the deadline extended to 2027.

Lost in translation

Former president A.P.J. Abdul Kalam, when he headed a committee to suggest improvements to the country's self-reliance in defence, scored India at only 30% on the Self-Reliance Index in 1993. He suggested a road map to improve that number to 70% by 2005, but it had only crept up to 32% by then. Reliable estimates place India at around 35% currently.

More worryingly, the purpose of "atmanirbharata" in the current scheme of things has not been defined. Is it about cost-saving, as the defence services see it? Or import substitution, as the finance ministry and the central bank want it to be? Or about innovation, as public intellectuals and experts dream of it to be?

Whatever be the driver, instead of using carrots to incentivize production, the government is wielding a stick in the form of import bans to somehow improve India's position as the world's second-biggest arms importer. At Kargil, the PM boasted that "I admire our three armies, who have decided that more than 400 pieces of defence equipment will no longer be bought from abroad, and will now be made in India itself."

These positive indigenization lists are meant to "achieve 'atmanirbharta' in the defence sector and increase exports in the coming times." This sounds a lot like autarky and the much-derided license raj. And it comes at a time when the need for advanced weaponry has become more urgent because of the ongoing border crisis with China that has

gone on for the past two-and-a-half years. In 2018, the Indian Army told the parliamentary standing committee on defence that 68% of its war-fighting equipment was obsolete. The situation would have only worsened since then.

Meanwhile, the government's wider claims of indigenization don't stand up to scrutiny. Take, for example, the aircraft carrier INS Vikrant that was commissioned by Modi in September with great fanfare. The 43,000-tonne ship is claimed to be 76% indigenous but is powered by four General Electric LM-2500 gas turbines from the US. Its most vital component, the aviation facility complex, is meant to be supplied by Russia's Nevskoe Design Bureau by the end of next year. The AFC will support a carrier air wing comprising Russian MiG-29K fighter aircraft and Ka-31 airborne early-warning helicopters, and American MH-60R multirole helicopters. The missiles are Israeli Barak 8s made in India by Bharat Dynamics in collaboration with Israel Aerospace Industries-Elta, and the radar is an Israeli AESA one. To supplement and eventually replace the operationally deficient MiG-29Ks, the navy is choosing between France's Rafale and Boeing's F/A-18E/F 'Super Hornet' fighters.

The situation is no different with the indigenous Tejas light combat aircraft. Yet, the numbers put out by the government show an upward trend in indigenization. As a proportion of total procurement, capital expenditure on imported defence equipment fell from 41.89% in FY20 to 35.28% in FY22. But it is not certain that these import numbers were calculated correctly. Experts like retired defence ministry official Amit Cowshish believe that these calculations violate official guidelines, where the extent of indigenous content in the procured equipment is calculated by excluding specific items from the total cost during manufacturing, production and assembly. These include direct costs of all materials and products imported into India, along with the direct and indirect costs of all services obtained from foreign entities or citizens. All license fees, royalties, technical fees and other payments paid out of India and statutory levies in the country like taxes, duties and cesses must be excluded.

Last December, the defence ministry issued a list of 2,500 items indigenized by public sector undertakings and another of 351 items that will be indigenized by December 2024. This was claimed to save foreign exchange equivalent to Rs 3,000 crore. The list included several types of nuts, bolts, screws, brushes, washers, gaskets, pins, hoses, sealing rings, rivets, clamps, plugs, elbows, valves, nozzles, pipes and jets. In some cases, different sizes of the same item were listed separately. Cowshish noted that different types and sizes of sealing rings accounted for more than 200 items. Evidently, these 2,500 items were indigenized by defence PSUs over a period that predates Modi's tenure, but remained unstated as the focus was on the optics of atmanirbharata.

Even more stunning is the government's claim that defence exports hit the Rs 13,000 crore mark in FY22, with private companies contributing 70% and the public sector accounting for the rest. According to official data, India's defence exports recorded a nearly sixfold increase between 2017 and 2021, from Rs 1,520 crore to Rs 8,435 crore. As no major contracts were signed during this period, it is likely that the figure has been arrived at by including all exports related to civil aviation in the defence list. The government has now set an ambitious target of achieving defence exports of about Rs 35,000 crore by 2025. That should not be too difficult to achieve using such creative calculation.

Misguided policies

Defence indigenization is a tough nut to crack, but it has been made tougher by a government hell-bent on overhyping both its aims and achievements. Take the case of the 2019 policy directive to defence PSUs that indigenized products should invariably be cheaper than the cost of importing them. Globally, there is no evidence that indigenization is automatically cheaper, more so when the items are either required infrequently or in small quantities.

Manufacturers for long have been seeking a realistic set of specifications when it comes to the requirements of the three service branches. Above all, more flexible and pragmatic procurement procedures, especially in the case of technology transfers from original equipment manufacturers to indigenous private and state-owned entities, are needed to handhold these manufacturers in the early stages.

Take the case of the P-75(I) project for the construction of six air-independent propulsion-equipped conventional submarines that were approved by a plan in the 1990s. The government finally approved a strategic partnership model where one of two indigenous shipbuilders—Mazagaon Dockyard and Larsen & Toubro—would tie up with an overseas OEM to build the submarines. But such were the conditions imposed by the government that firms from Russia, Japan, Spain and Sweden pulled out without bidding. Companies from South Korea and Germany asked the government to reconsider the draft contract, which stipulated that the shortlisted OEM would be responsible for the finished vessels, without providing any executive control to the shipyard that would eventually build the submarines. Meanwhile, the Indian Navy, facing a worrying shortfall in its underwater assets, continues to wait for the submarines it so desperately needs.

Not all defence equipment is that difficult or complex to build. A story that is both funny and sad has to do with the special clothing and mountaineering equipment needed by our soldiers in Ladakh. By fall 2020, it was evident that an additional 40,000 to 50,000 soldiers would have to be deployed in eastern Ladakh during the winters to prevent further ingressions by China. The government and the army then started scrambling for the high-altitude clothing. India used a logistics agreement signed with the US to get some gear, but [journalist Rahul Bedi recounts](#) that defence ministry and army officials fanned out across the US, Canada, Europe and Australia to procure assorted gear under “emergency purchase” procedures. Depositing before the parliamentary standing committee on defence in late 2019, an army representative declared that some 80% of the essential three-layered special clothing with thermal insulation and other items essential for soldiers at climatically murderous heights continues to be imported. Attempts to domestically acquire such kits, he regretted, had not met with the army’s “acceptable standards.”

A Swiss vendor, who was a regular supplier of such kits, told a visiting defence ministry official that he had advised the ministry that most of the high-altitude gear it imported recurrently could easily be made locally. He indicated his willingness to collaborate on a venture to domestically kickstart winter clothing manufacturing units, but the idea had not evoked any interest as its success would have removed the need for visits by Indian officials to European countries to source the special clothing. That is how the kits, which could—and should—have easily been made locally, continue to be imported.

When it comes to the hype about Atmanirbhar Bharat, India’s political leadership is entitled to such tom-tomming for its parochial agenda, but the defence services need to be more careful about joining in the chorus. In the 60th anniversary year of the Sino-Indian War, they should remember that it was the then defence minister, V.K. Krishna Menon, who pushed a massive indigenization of the equipment used by the armed forces. “Efforts were made for indigenous production of military hardware which would make the country self-sufficient in production of arms and ammunition in the long run... [and] save hard-earned foreign exchange to be utilised for development purposes,” the official history of the 1962 war notes. It adds: “Krishna Menon, the Defence Minister since 1957, did not favour imports of weapons and equipment.”

Sounds familiar? With Chinese troops sitting inside eastern Ladakh, the parallels should not be lost on anyone, least of all the Indian armed forces.

Obiter dicta

One of the better books on the subject is by the late Stephen Cohen and Sunil Dasgupta, entitled [Arming without Aiming: India’s Military Modernisation](#). Besides reading the [official history of the 1962 war available online](#), an outstanding book on the nuanced reality of the first 20 years of independent India is [Nehru’s India: A History in Seven Myths](#) by Taylor C. Sherman of the London School of Economics.

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