

## India's Defence Spending Trends From 2004-2014: A Status Without Human Development

Malik Qasim Mustafa\*

### Abstract

*India's aspiration to become a major power through military dominance and arms competition has been threatening regional peace and cooperation. Such hegemonic designs are also making India vulnerable against its internal human development challenges. The first important theme, which the study will explore, is that the overambitious plan to develop a well-equipped and modernised armed force has compelled India to increase its defence budget by almost 164.5 per cent from 2004 to 2014. Despite such a huge budgetary increase India has failed to boost its indigenous defence industry. India has now a top arms importer, fulfilling almost over 70 per cent of its defence needs through foreign imports, but Indian armed forces are still considered 'antique' and 'ageing.'<sup>1</sup>The second important theme of the study is to analyse that occupied in a never-ending arms race, India has failed to address its major human development challenges. Poverty, quality education, healthcare, and other socio-economic deprivations afflict a large majority of the Indian population. Millions of Indians are living below the poverty line and more than half of its population lacks access to basic civic necessities. The state of India's human development indicators is in stark contrast with the minimum requirements to qualify for a major power status. The study concludes that India's rapid defence spending can destabilise the regional peace, and that a state like India cannot acquire a major power status by neglecting its key human development issues. Huge defence spending cannot protect a nation against internal social and economic deprivations.*

**Keywords:** Indian Defence Spending, Military Modernisation, Military Competition, Human Development Challenges, Arms Imports, Regional Peace and Security, Arms Race

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## **Introduction**

Current regional power projection trends reflect that India is ravenous in its desire to rise to a major power status.<sup>2</sup> In order to enhance its prestige and its regional and global standings, it is in a constant competition with its 'rising' and 'developing' neighbours, namely China and Pakistan. On one hand, India is displaying ideological hostility towards its neighbours and pursuing an antagonistic competition by relentlessly forcing itself to invigorate its offensive and defensive capabilities. On the other, India, being a 'strategic partner' of the United States, believes that it is destined to compete with China. India's struggle to enhance its status, power and influence is perceived by its immediate neighbours as a threat. Pakistan, for one, as a reaction is constantly modernising its armed forces and strengthening its nuclear deterrence capabilities to counter the Indian threat. In order to safeguard their national security interests, each regional and bilateral competitor will continue to strengthen its national security instruments, thus making this competition open-ended.

The main argument of this study revolves around the fact that the Indian ambitions to achieve a 'two front' military dominance vis-à-vis China and Pakistan, along with the need to cater for the world's second largest population has exposed it to many internal and external challenges. Consequently, despite huge defence allocations over the past years, India has not been able to maintain its power trajectories through modernising its armed forces, nor effectively provide to the needs of the majority of its population. Millions of Indians are still suffering from hunger, poverty, illiteracy, poor health care, and social insecurity. These challenges have created uncertainties on the part of India that a third world developing country, without addressing its wide ranging human development challenges, cannot achieve a major power status only through its military power and dominance.

A careful literature review on the subject reveals that available literature is primarily focused on short term or yearly defence spending allocations. The available literature is mainly contributed by Indian defence analyst, and they have addressed issues related to inefficient

policies of government, delaying procedures in the Indian modernisation drive, corruption, issues of resources gap, and on how to improve internal health and bring technological change of their armed forces. Some of these experts include; Deba R. Mohanty on defence spending trends; Pravin Joshi on changing Indian defence budgeting system; Dinesh Kumar and Praveen Swami on Indian armed forces antique' and 'ageing.' status; Laxman Kumar Behera on bringing innovation in Indian armed forces; and Rajat Pandit identifies ammunition crunch of the Indian armed forces.<sup>3</sup>

In this regard, the current study represents a consolidated study on the Indian defence spending trends over a period of 10 years, and as such makes it a valuable contribution to the existing literature. Furthermore, the present study links the Indian defence spending trends to the poor state of human development in India – a linkage that is also not addressed in the existing literature.

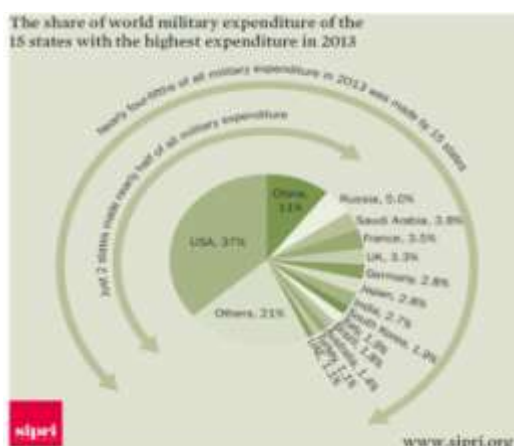
In order to address these arguments, this paper has been divided into two sections. First section will identify and answer that how much India has spent on its defence in the past ten years, from 2004-2014? The statistical data in this section is mainly collected and analysed from official Indian Government source; and as well as from world renowned international organisations, who are maintaining their regular databases on arms imports/exports, defence spending of world militaries, and military balances of key international states. Furthermore, for the purpose of ensuing accuracy, Indian defence spending trends are calculated and analysed in Indian Rupees. The second part will look at the question, whether India has been able to address its key human development challenges? The data set for this section is collected from official Indian Government sources and international organisations.

### **Overview of India's Defence Spending: 2004-2014**

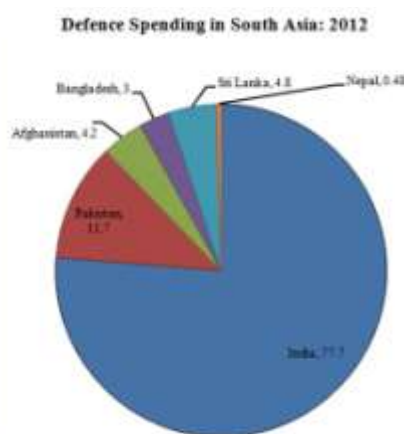
After the end of the Cold War, India, being a founding member of the Non-Aligned Movement, pursued its new role to emerge as a new power centre by advocating multi-polarity. In order to strengthen its new role and to compete with its traditional rivals, India tasked itself to modernise its

*India's Defence Spending Trends From 2004-2014: A Status  
Without Human Development*

armed forces to strengthen its regional power status, with an aspiration to become a global power. Currently, in the world's overall top ranking militaries, China and India respectively rank at 2nd and 3rd positions.<sup>4</sup> According to Stockholm International Peace Research Institute (SIPRI) list of top 15 biggest defence spenders in the world in 2013, India ranked at the 9th position.<sup>5</sup> The US was at the top in the list with 37 per cent share, and China came second with its 11 per cent of total world share. India gradually progressed in its global ranking of defence spending from 11th in 2004 with a total world's share of 2 per cent, to 9th in 2013 with a 2.7 per cent of world share.<sup>6</sup>



Source: SIPRI



Source: Military Balance 2013

According to the International Institute for Strategic Studies (IISS) Military Balance 2013, in terms of 2012 defence spending trends in Asia, China led with 32.5 per cent, followed by Japan with 18.9 per cent, and India stood third with 12.2 per cent. Whereas, Pakistan spent around 1.8 per cent on its defence in terms of its share in total military spending in Asia.<sup>7</sup> In the context of South Asia, India stood at the top with highest defence spending of around 77.7 per cent, followed by Pakistan with 11.7 per cent in 2012.<sup>8</sup>

In terms of global share of arms imports, India has gradually increased its spending on importing arms from major weapons' producing countries. According to SIPRI, from 2003-2008 India was the second largest arms

importer after China. China's total share of arms imports was 11 per cent whereas Indian share was 7 per cent. However, from 2009-2013, India increased its arms imports to modernise its armed forces and became a top arms importer with a total share of 14 per cent. From 2004-2013 India mainly imported its major weapons system from Russia (75 per cent), the US (7 per cent) and from Israel (6 per cent). During this time, China reduced its reliance on importing arms and its total share fell to 5 per cent. In the meantime, Pakistan's arms import share also increased from 2 per cent in 2004-2008 to 5 per cent in 2009-2013. According to the overall estimates by SIPRI, India imported \$25,446 million worth of major conventional weapon systems from 2003-2012.<sup>9</sup> In this time frame, China imported military equipment of \$21,580 million and Pakistan imported \$9,485 million worth of military hardware.<sup>10</sup>

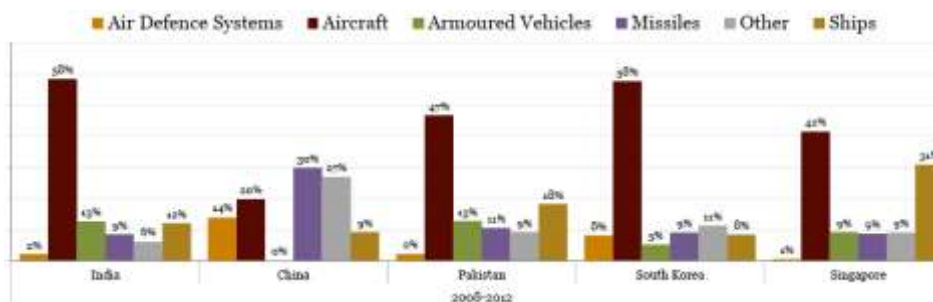
### The 10 Largest Importers of Major Weapons and their Main Suppliers: 2009-13

Importer	Share of international arms imports (%)		Main suppliers (share of importer's total imports), 2009-13		
	2009-13	2004-2008	1st	2nd	3rd
India	14	7	Russia (75%)	USA (7%)	Israel (6%)
China	5	11	Russia (64%)	France (15%)	Ukraine (11%)
Pakistan	5	2	China (54%)	USA (27%)	Sweden (6%)
UAE	4	6	USA (60%)	Russia (12%)	France (8%)
Saudi Arabia	4	2	UK (44%)	USA (29%)	France (6%)
USA	4	3	UK (19%)	Germany (18%)	Canada (14%)
Australia	4	2	USA (76%)	Spain (10%)	France (7%)
South Korea	4	6	USA (80%)	Germany (13%)	France (3%)
Singapore	3	2	USA (57%)	France (16%)	Germany (11%)
Algeria	3	2	Russia (91%)	France (3%)	UK (2%)

**Source:** SIPRI Fact Sheet, March 2014, <http://books.sipri.org/files/FS/SIPRIFS1403.pdf>

*India's Defence Spending Trends From 2004-2014: A Status  
Without Human Development*

### Top 5 Arms Importers and Types of Arms



**Source:** SIPRI

These trends clearly reflect that India, in order to address its security concerns and to assume a major power status invested heavily in the modernisation of its armed forces, including in the Indian Air Force.

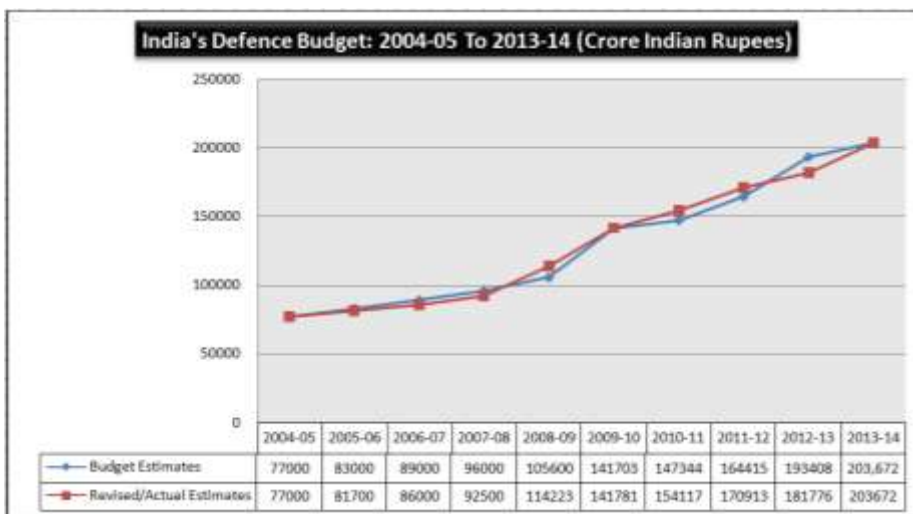
After more than four decades, the US holds the top position after Russia in supplying weapons to India. It is estimated that India has imported around US \$ 1.9 billion worth of military equipment from the US in 2013.<sup>11</sup>

### Indian Defence Spending: 2004-2014

Year		Defence Budget (cr.)	per cent of GDP	per cent of Defence Growth	Revenue Expenditure	per cent Growth in Revenue Expenditure	Capital Expenditure	per cent Growth in Capital Expenditure	GDP Growth
2004-05	BE	77,000	2.41	17.92	43,517	-1.9	33,483	59.8	7.5 percent
	RE	77,000		17.92	43,517	0.3	33,483	98.0	
2005-06	BE	83,900	2.25	7.8	48,625	11.7	34,375	2.7	9.4 percent
	RE	81,700		6.1	48,625	11.7	33,075	-1.2	
2006-07	BE	89,000	2.07	7.2	51,542	6.0	37,458	9.0	9.6 percent
	RE	86,500		5.3	51,542	6.0	34,438	4.2	
2007-08	BE	96,000	1.94	7.9	54,078	5.0	41,922	11.9	9.3 percent
	RE	92,500		7.5	54,795	6.3	37,705	9.4	
2008-09	BE	105,600	2.15	10	57,593	6.5	48,007	14.5	6.7 percent
	Act	114,223		23.3	73,305	33.8	40,918	8.5	
2009-10	BE	141,703	2.42	34.2	96,879	56.0	54,824	14.2	8.0 percent
	Act	141,781		24.1	90,669	23.7	51,112	23.0	
2010-11	BE	147,344	2.12	4.0	87,344	0.5	60,000	9.4	8.9 percent revised
	Act	154,117		8.7	92,061	1.5	62,056	21.4	
2011-12	BE	164,415	1.83	11.6	95,216	9.0	69,199	15.3	6.7 percent revised
	Act	170,913		10.9	103,011	11.9	67,902	9.4	
2012-13	BE	193,408	1.9	17.6	113,829	19.5	79,579	15.0	4.5 percent revised
	Act	181,778		6.3	111,277	8.0	70,499	3.8	
2013-14	BE	203,672	1.79	5.3	116,931	2.7	86,741	9.0	4.9 percent estimated
	RE	203,672		12.0	124,800	12.1	78,872	11.9	

**BE:** Budget Estimates, **RE:** Revised Estimates, **Act:** Actual

**Source:** Union Budget and Economic Survey, *official web site of Government of India*, <http://indiabudget.nic.in/index> and *The Central Statistics Office (CSO), India*, <http://mospi.nic.in/>



**Source:** Union Budget and Economic Survey, Government of India.

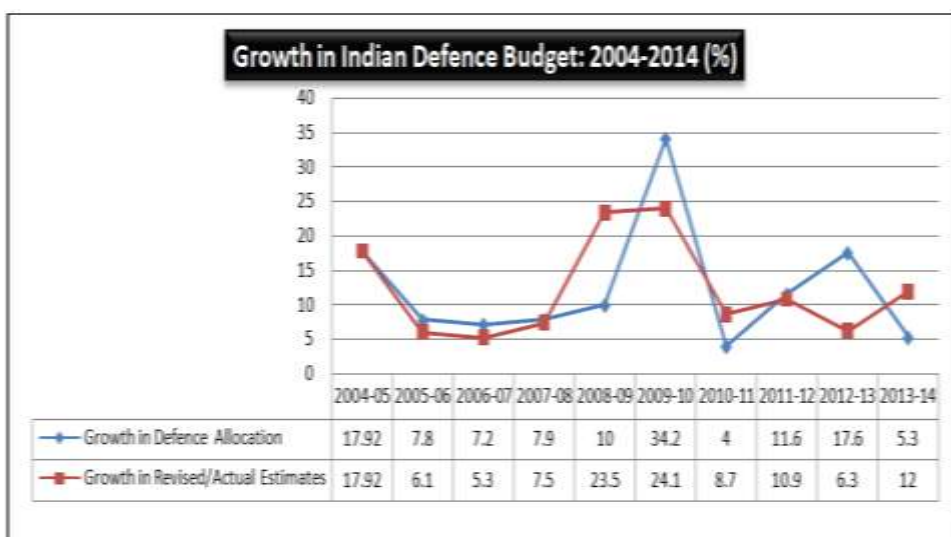
The trends in India's defence allocations over the selected timeframe of 10 years 2004-2014 are indicated in the above table and graph. This trend is analysed in terms of India's initial defence budget estimates (BE); its revised estimates (RE) which represents revision of initial budgetary estimates due to unanticipated increase in spending, or decrease because of government's austerity drive; and actual spending (Act) at the end of a particular financial year. The above table and graph clearly reflects that India has been rapidly increasing its defence spending which could destabilise regional peace and security and can accelerate an arms race in the region.

The above trends show that India has increased its defence allocation to 164.5 per cent, from 77,000 to 203,672 crore Indian rupees in this time-frame. The average annual share of defence budget allocations in terms of GDP stands above 2 per cent. The average annual growth in defence budget, in the selected time frame, stands at 12.35 per cent. This represents a significant increase in the last 10 years. The defence budget allocation for 2014-15 under the new government of Narendra Modi, has increased by 12.43 per cent, from 203,672 cr. in 2013-14 to 229,000 crore in 2014-15.<sup>12</sup> This allocation is considered as 1.7 per cent of the 2014-15 projected GDP, whereas the Indian media has projected it as a dip in terms of inflation and depreciation of Indian rupee.<sup>13</sup>

*India's Defence Spending Trends From 2004-2014: A Status  
Without Human Development*

The overall above trends of Indian defence spending show that from 2004 to 2008, Indian defence allocations were slightly higher or equal to their RE/Act defence spending. In the next four years from 2008 to 2012, RE/Act surpassed their respective BE. The RE/Act in 2012-13 went well below their actual BE, and in 2013-14 the BE were equal to its RE.

India's defence growth patterns (see chart below Growth in Indian Defence Budget: 2004-2014) in the past years show that in 2004-05 high growth of 17.9 per cent suddenly declined to 7.8 per cent in 2005-06 and further declined to 7.2 per cent in 2006-07. The defence growth then started to increase with 7.9 per cent in 2007-08, and 10 per cent in 2008-09. However, 2009-10 saw the highest growth of 34.2 per cent, which could not be maintained over 2010-11. The next two years saw a sharp growth of 11.6 per cent in 2011-12 and 17.6 per cent in 2012-13. The growth rate again declined in 2013-14 to 5.31 per cent, as a result of decline in Indian economic growth. However, 203,672 cr. allocations for 2013-14 still represent a huge amount for Indian defence modernisation drive compared with 77,000 cr. for 2004-05. This is an almost 164.5 per cent increase in the time frame.



**Source:** Union Budget and Economic Survey, Government of India.



India's RE/Act growth trends show that from 2004 to 2008 RE/Act growth was slightly below its BE growth. The year 2008-09 saw a huge growth of 23.5 per cent in its RE/Act estimates against its BE growth of 10 per cent. In 2009-10, Indian defence BE grew to 34.2 per cent and the RE/Act growth slightly increased from previous the year to 24.1 per cent.

In past 10 years, the annual average growth in revenue expenditure was around 11.9 per cent; and the overall Indian capital expenditure BE grew at an average rate of 16.8 per cent per year (see chart below on Indian Defence Spending: Revenue and Capital Expenditures 2004-13). The annual growth of 19.08 per cent in capital expenditure in RE/ACT estimate show that India is rapidly moving towards fulfilling the objectives of its military modernisation drive.



**Source:** Union Budget and Economic Survey, Government of India.

In terms of future capital expenditure, since April 2012, to achieve a timely and cost effective defence acquisitions India has embarked upon a 15 years (2012-2027) Long Term Integrated Perspective Plan (LTIPP) of around \$100 billion.<sup>14</sup> The LTIPP is further divided into three, five year Services Capital Acquisition Plan (SCAP) (2012-2017, 2017-2022 and 2022-2027) and SCAP is further subdivided into to meet more immediate needs through Annual Acquisition Plans (AAP). In April 2013, to achieve

*India's Defence Spending Trends From 2004-2014: A Status  
Without Human Development*

the objectives of 2012-2027 LTIPP, the Indian Headquarters Integrated Defence Staff and Indian Ministry of Defence (MoD) formulated a Technology Perspective and Capability Road Map (TPCR).<sup>15</sup> The TPCR aims to achieve self-reliance in technological superiority in all its services. This future capability acquisition ranges from battlefield information dominance to electronic warfare; nano-technology to weapons of mass destruction (WMD) defence; precision guided munitions to Electro-Magnetic Pulse (EMP) weapons; and advanced multi-role jet fighters to Unmanned Combat Ariel Vehicles (UCAV's).<sup>16</sup>

The above analysis of the Indian defence spending trends and its future plans reflect that India has accelerated its military modernisation drive to replace its antique military hardware with more advanced ones. India initiated its first set of guidelines in terms of Defence Procurement Procedure (DPP) in 1992. Since then, India has been constantly streamlining its DPP by revising and amending it. India has made several changes in its DPP in 2002, 2005, 2006, 2008, 2011, and in 2013, to increase its military dominance in the region.<sup>17</sup> India has also embarked upon the ambitious TPCR to achieve a global power status. India's armed forces modernisation drive and its desires for military parity with major global power could cause regional instability, as it would make regional states more vulnerable against Indian hegemonic designs.

Despite decades of efforts to enhance its capability and capacity, the Indian war machine is still considered as 'antique' 'less satisfactory' and can come to a 'grinding halt'.<sup>18</sup> Indian defence planners have failed to give a boost to its indigenous defence industry. Despite a constant focus on self-reliance to 'buy', 'buy and make', and 'make Indian', India is still relying on foreign imports and has become the world's top arms importer. It is estimated that India is fulfilling over 70 per cent of its defence hardware needs through foreign suppliers. Still a majority of Indian defence analysts criticise and highlight concerns over delays in its military modernisation drive.<sup>19</sup> However, with all these setbacks, India is constantly pursuing modernisation of its armed forces, and it has neglected to fulfil its human development objectives. As a result, India's overarching emphasis on the modernisation of its armed forces and its stated roles as a 'Continental and Maritime' entity with an 'Extended Neighbourhood'

national security policy poses a major threat to regional peace and security.<sup>20</sup> This will compel other less secure and rising powers, especially Pakistan and China to enhance their own security status. Pursuit of such an arms race will hamper the prospects of lasting peace for the entire region.

In order to achieve the objective of acquiring a modern military force to subdue its neighbours, India has neglected to cater for the modernisation of its own human capital, which will eventually have negative consequences for the vast majority of the impoverished Indian masses. Therefore, the study argues that modernising a military force at the expense of human development is not going to meet a state's overall national security objectives and win prestige and status. In the following section, to support above argument, the study will try to look at key human development indicators in India.

### **Human Development Trends in India**

In the contemporary world, states were bound to maintain a balance between modernising their armed forces and the overall well-being of their citizens.<sup>21</sup> For a developing nation like India, modernising a large military machine at the expense of basic human development leads to a serious disequilibrium at the national and regional levels.

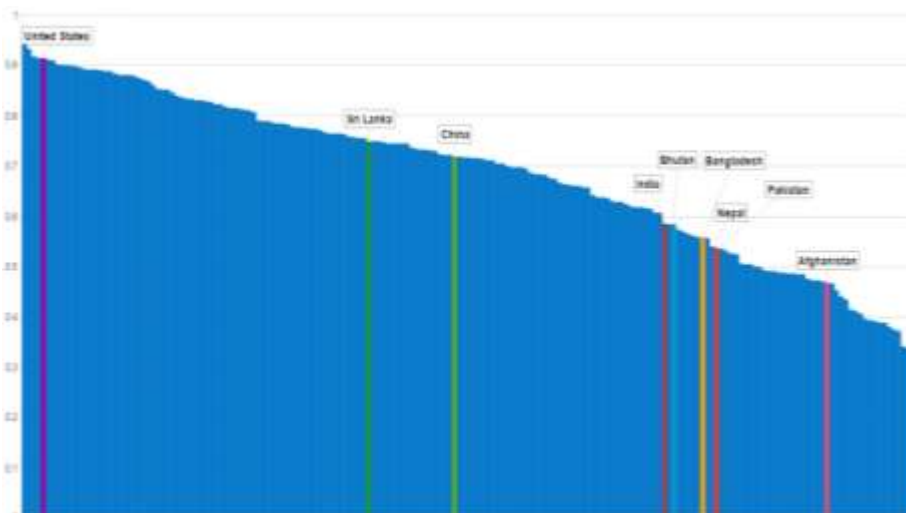
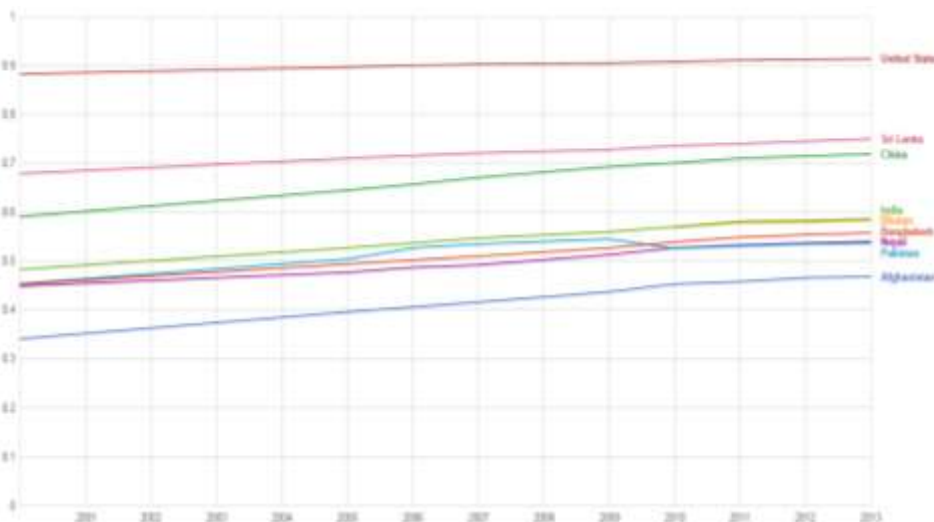
India is the second most populous country after China with a population of 1.27 billion, which annually growing at the rate of 2.3 per cent.<sup>22</sup> Such a large population with the aforementioned growth projections has already enhanced India's socio-economic vulnerability. In order to satisfy its prestige, and martial ego, India seems to be on a destructive course at the expense of basic survival and livelihood of its own population. A careful analysis of India's human development issues will help understand this nexus of spending on defence and human development.

Being the world's top arms importer, India's growth in the Human Development Index (HDI) is negligible, even in comparison to its smaller neighbour like Sri Lanka. The HDI in India is almost equal to that in Bhutan, which is a much smaller neighbour with limited resources and power. India's desire for a global power status does not even match with

*India's Defence Spending Trends From 2004-2014: A Status Without Human Development*

China's HDI ranking. Therefore, in terms of HDI, India's desire to compete for a major power status seems an elusive goal. In terms of Global HDI ranking, India stands at 135 out of 187 countries, and falls within the low HDI grouping of countries. The charts provided below clearly reflect India's standing in terms of its HDI.

**Human Development Index (HDI) Value: 2000-2013**



**Source:** "International Human Development Indicators" UNDP, access date, September 18, 2014, <http://hdr.undp.org/en/data/explorer/>

<b>Human Development Index 2004-2012</b>			
<b>Year</b>	<b>India</b>	<b>South Asia</b>	<b>World</b>
<b>2005</b>	0.507	0.514	0.666
<b>2006</b>	0.515	0.522	0.672
<b>2007</b>	0.525	0.531	0.678
<b>2008</b>	0.533	0.538	0.683
<b>2009</b>	0.540	0.545	0.685
<b>2010</b>	0.547	0.552	0.690
<b>2011</b>	0.551	0.555	0.692
<b>2012</b>	0.554	0.558	0.694
<b>2013</b>	0.59		

A close examination of social indicators in India reveals a very unsatisfactory picture. On the issue of poverty, the 2014 Millennium Development Goals (MDG) Report stated that in 2010, one-third of the world's 1.2 billion extremely poor lived in India.<sup>23</sup> For many years, India has been unable to come up with a standard definition of poverty.<sup>24</sup> Many times in the past, the Planning Commission of India has misrepresented the statistical data by shifting its poverty standards to reduce the overall number of people on paper who are living below the line of poverty. In June 2014, the Planning Commission of India tasked its Expert Group, under the Chairmanship of Dr. C. Rangarajan, to review a 2009 report prepared by the Expert Group under the leadership of professor Suresh D. Tendulkar on the Methodology for Measurement of Poverty, in India.<sup>25</sup> The 2014 report finds out that poverty/people living below the poverty line in India in 2011-12 was 29.5 per cent (363 million people) as compared to 21.9 per cent (270 million people) estimates of 2009 report. Rangarajan report also highlighted that during 2009-10 the poverty level in India was 38.2 per cent (455 million people) as compared to 29.8 per cent (355 million people) estimates of Tendulkar report.<sup>26</sup> The analysis of official data represents a very grim picture on the status of poverty in

*India's Defence Spending Trends From 2004-2014: A Status  
Without Human Development*

India. These huge discrepancies and manipulation of statistical data can only change things on paper, but not on ground as the situation is totally different.

Based on Tendulkar findings, The McKinsey Global Institute (MGI), in its February 2014 report on poverty in India highlighted that in 2011-12, almost 56 per cent of Indian population, or around 680 million Indians, are deprived of their basic essential needs.<sup>27</sup> The MGI analysed poverty in India by employing its newly developed analytical framework 'Empowerment Line,' which computed its result against eight basic households (food, energy, housing, drinking water, sanitation, health care, education and social security) for a decent standard of living.<sup>28</sup> The MGI study further concludes that if a 'stalled reform scenario' continued in India, then even by 2022, 36 per cent, or around 470 million people in India, would remain below the empowerment line.<sup>29</sup> If MGI's Empowerment Line recalculates against 2014 Rangarajan report, then results would go well beyond 680 million estimates that are deprived of their basic needs.

On the issue of food security India is ranked 63 out of 78 states in Global Hunger Index (GHI) whereas China ranked at the 6th position; Sri Lanka at the 43rd; Nepal at the 49th; Pakistan at the 57th; and Bangladesh at the 58th position.<sup>30</sup> For India, the score of 21.3 at GHI is very alarming in terms of its food vulnerability and nutrition security. As a result of this increasing food insecurity, the estimated per capita calorie intake has been declining in India. According to MDG Indian Country Report 2014, the per capita calorie intake during 2004-2005 in rural areas was 2047, and in urban areas 2020. But in 2009-2010, it declined in rural areas to 2020, and in urban areas to 1946.<sup>31</sup> Children under the age of three are suffering most because of malnourishment. According to the 2011 census, 35.6 million (40 per cent) out of 89 million children are underweight.<sup>32</sup> Such trends necessitate immediate attention to address the issues of food security to develop a healthy nation.

The health indicators in India are in stark contrast with its professed rising status. India's 'Health for All' policy is suffering badly as government spending in health sector is the lowest among many

developing countries.<sup>33</sup> People in India lack access to basic health care and as a result, majority is suffering from diseases like tuberculosis, malaria, diabetes, hypertension, cancer and mental illness. According to the World Health Organisation (WHO) estimates of 2012 and 2013, life expectancy in India is 66 years, which is less than regional average of 67 years and global average of 70 years. In India, under five mortality rate, per 1,000 live births is 56, which is higher than regional average of 50 and global average of 48.<sup>34</sup> Adult mortality rate, between 15 and 60 years per 1,000, in male is 242, which is higher than regional average of 222 and global average of 187, and in females it is 160, which is higher than regional average of 149 and global average of 124.<sup>35</sup> The prevalence of HIV per 100,000 is 169; incidence of malaria per 100,000 persons is 1,523; and prevalence of Tuberculosis, per 100,000 is 230.<sup>36</sup> Similarly, socio-economic imbalance deprivation, tensions and other mental illness are resulting in higher suicide rates in India. According WHO, during 2000-2012, on average 10.9 out of every 100,000 people in India have committed suicide. This puts India on the top of the list of highest suicide rate in South Asia.<sup>37</sup>

Although the education sector in India has made progress in the past years, the education enrolment indicators in India point to high level of drop-outs ranging between 35.6 per cent at the primary to 70.9 per cent at the secondary level.<sup>38</sup> Although in the primary and secondary education, Indian government has achieved some success, but India's enrolment in higher education is not up to the mark. Indian higher education institutes and universities are nowhere in the list of top 200 world's university ranking. Quality education, lack of good quality infrastructure, faculty, research facilities along with the issues of unemployment of educated youth, poverty, and discriminatory nature of Indian cast system are some of the major concerns for higher education in India.

The issue of gender equality represents a major challenge in eradicating poverty, promoting education and healthcare, employment and other related socio-economic issues. In gender inequality index India is far behind Sri Lanka.<sup>39</sup> According to the International Labour Organisation (ILO) 2014 report on unemployment trends, unemployment in India is on the rise. In 2011, it was 3.5 per cent; in 2012, 3.6 per cent; in 2013, 3.7 per

cent; and estimated 3.8 per cent in 2014.<sup>40</sup> India's emerging energy crisis and growth in its future demand is also hampering its progress and development.

A trend and a comparative analysis of these indicators clearly reveals that a country like India is facing challenges of poverty, healthcare, education, and other social issues. India cannot attain the status of becoming a major power if its masses are deprived of basic necessities. Huge defence spending is not going to help feed the masses.

## **Conclusion**

India's galloping defence expenditure over the past decade reflects its ambition to attain a major power status. It has cited many strategic pretexts to do so, most of which relate to its immediate neighbourhood, particularly defence capabilities of China and Pakistan. But by looking at its rapid nuclear development and its missile capability to reach targets beyond South Asia's periphery in Europe and the broader Asia Pacific region, it is evident that India would continue to invest heavily in both conventional and non-conventional fields. This unbridled growth in India's defence expenditure has three-fold impact in military terms: (a) destabilisation of the region, (b) constant focus on conflict, and (c) acceleration of an arms race in the region. India's defence expenditure keeps pushing all the defence budgets of the neighbouring countries. More importantly, this massive defence spending is done at the expense of the largely poor population of India whose human development is one of the lowest in the world. Indian elites may be benefiting from this "boom" in Indian defence industry and trade, but the vast majority of the marginalised citizens of India do not.

India's human development indicators are amongst the lowest in the world. That said, India's logic for expansion of its defence sector is hard and inflexible. Moralistic protestations alone will not persuade India to change its course. It is, therefore, imperative for neighbouring states, especially Pakistan, to remain prepared to maintain a strategic and conventional equilibrium vis-à-vis India. This we should do while investing heavily in the human development of the people of Pakistan by



focusing particularly on poverty eradication, job creation, education, access to health, and inclusive economic development.

## **Notes and References**

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*India's Defence Spending Trends From 2004-2014: A Status  
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