

A Hard Look at National Security

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Prime Minister Narendra Modi and his government have sought to convey the message that they have strengthened national security by taking a realist strategic position and introducing a policy of defence production indigenisation through the “Make in India” initiative. This article takes a close look at these claims and finds that behind the bluster lies strategic confusion and ill-thought-out decisions.

The Bharatiya Janata Party (BJP) has claimed for itself the mantle of being hard-headed on “national security” matters. While this is their projected self-image, we need to examine it closely. Let us begin with what Prime Minister Narendra Modi said at the Combined Commanders Conference on 15 December 2015, where he warned the services that the country will not be able to prepare for the future “by doing more of the same, or preparing perspective plans based on outdated doctrines and disconnected from financial realities” (Press Information Bureau 2015). He then chided the services by pointing out that,

At a time when major powers are reducing their forces and rely more on technology, we are still constantly seeking to expand the size of our forces. Modernisation and expansion of forces is a difficult and unnecessary goal. We need forces that are agile, mobile and driven by technology, not just human valour.

It is for the first time that the ballooning size of the military and “financial realities” has received such public attention from the union government. This realisation dawned in the wake of the agitation by ex-service personnel with their demand for “One Rank One Pension” (OROP) based on the principle of parity between military and civil pay and allowances. The Prime Minister’s admonition, however, is misdirected. If “outdated” military doctrines need to be shunned, what the Prime Minister forgot was that much more urgent is to give up the old colonial habit of ordering military suppression of Indian people, which allows for so many antiquated absurdities to perpetuate itself, not the least of which is the peremptory projection of our own people as the “enemy.”

Doctrines are not policies. It is policies which give life to doctrines. Besides, the services cannot augment their forces without the approval of the government.

While the Prime Minister chided the services, the force augmentation by another 35,000 personnel is afoot for raising the new Mountain Corp. It is the government which also bears the responsibility for force augmentation by making services share a larger role in internal security duties, and other sundry activities like laying pontoon bridge/s for Sri Sri Ravishankar’s World Cultural Festival on the ecologically fragile Yamuna floodplains. As for financial constraints, it was the Prime Minister himself and his BJP which had pledged “full OROP” during the 2014 elections, for their own selfish interest, bereft of any understanding of union finances or concern for the financial crunch facing the country.

Furthermore, an overall examination of where the army is deployed in different “disturbed” areas, would reveal that nearly a third of the Army is engaged in counter-insurgency activities in the North East and in Jammu and Kashmir (J&K).¹ The importance of counter-insurgency, often called COIN, in internal security is corroborated by the Seventh Pay Commission, which noted that whereas non-police central government employment declined from 25.29 lakh in 2006 to 23.21 lakh in 2014, the size of central police forces rose from 7.44 lakh to 9.80 lakh in the same period.² These central police forces too have been clamouring for parity with the army for their own personnel since both are engaged in internal security operations. In a presentation before the empowered committee of secretaries they asked for a special allowance called “CAPF Service Pay” along the lines of military service pay given to army personnel, which is over and above their salaries. They argued that the central armed police forces (CAPFs) “fulfill” all attributes required for military service pay and that they are the “key pillars of internal and border guarding, handle warlike situation and continuously engaged in operations” (Tripathi 2016).

Expanding Size of Military

The point is that internal and external security costs are intertwined, because

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both the Army and the CAPFs have overlapping internal and external duties. Therefore, when speaking of a bloated army we cannot remain indifferent to the bloated nature of the CAPFs. There was a 25% increase in allocation for the Ministry of Home Affairs (MHA), from ₹62,125 crore allocated in 2015–16 to ₹77,383 crore for 2016–17, most of it for the CAPFs. The policy of military suppression at home is a manifestation of a much larger problem and its consequences are far graver. Quite apart from demoralising our own people, prolonged engagements against our own degrade the armed forces of the union, in particular the army (Navlakha 2015a).

The augmentation of forces was in keeping with the country's strategic policy; the army did not invent this. The former Army Chief V P Malik is on record that the army had decided to cut 50,000 posts in 1998. This was overturned after the Kargil war in 1999. Again it was only when the army was ordered to join the war in 1990 in J&K that the need arose for raising a dedicated counter-insurgency force—the Rashtriya Rifles. The North East already had its Assam Rifles.

So the question now is, does the Prime Minister's admonition reflect a shift in threat assessment? For instance, if the country's strategic policy is geared to prepare for "the most likely scenario" rather than the "worst case scenario," it could mean policymakers are shedding the strategy developed to face a "two front war"³ because a conventional war is now ruled out, replaced by threats of local border conflicts (Phadke 2016). This marks a major shift, because this will negate the need for the Indian Air Force (IAF) to raise 42 air squadrons needed for the two-front war scenario. It also brings down the need for maintaining a huge force for conventional warfare, when the likelihood of a conventional war itself is much reduced.

Between acknowledging, obliquely, the presence of a problem, the expansion of the forces and the revenue burden cast by this in the shape of pay, allowances and pension, and doing something about it, many questions rear their head. Is there any rethinking on war-making at

home against our own people? The MHA called for parity between the services and the CAPFs because the latter fulfil all the attributes of the former in their operations. It can be safely predicted that both the numbers as well as per head costs will grow. So, if indeed finances are an issue, it makes no sense to tell the services to be lean, while increasing the size of the CAPFs. It makes one wonder as to why India's rulers are so shy about giving up on waging war against our own people? Quite apart from the peace dividend that a democratic solution to internal conflicts offers in the shape of freeing fellow citizens from all kinds of encumbrances which shackle them, it can actually free funds now tied in needless war, for use in the social sector.

But for a trimmed force to "rely more on technology" raises other questions. How is this transformation to be brought about? Are surplus soldiers of the army going to be transferred to the CAPFs? Are we to import equipment needed for meeting the objective, or manufacture them at home?

Idle Capacity Conundrum

It is time to take stock of the major initiative of the National Democratic Alliance (NDA) government's "Make in India" slogan—its Defence Procurement Policy (DPP). Like its predecessor, the United Progressive Alliance (UPA) government with its "Raksha Udyog Ratna" status to about 12 private sector companies for preferential treatment in procurement, the NDA government too was to list "Strategic Private Partners." Interestingly, while the DPP was announced in Goa on 28 March, it was minus the crucial Chapter 7 which deals with "Strategic Partners," because of differences over "merit," that is, the criterion for selecting private corporate houses as "strategic partners" (Joseph 2016). Anil Ambani was reportedly displeased because of the insistence on a track record in the military sector and claimed it was a "booby trap" laid by "vested interests" (Sanjai 2016). He was also opposed to the proposal restricting a private defence company to one or two sectors.

This has not prevented him from acquiring Piparav Shipyard from its promoter

entrepreneur and has now signed a deal with Israel's Rafael Advanced Defense Systems to build missiles. It was perhaps a coincidence that the very same day this joint venture was announced, it was also reported that the three services have stated their preference for Israeli missiles and not the indigenous missile Akash. This after the army placed two orders valued at ₹14,180 crore for six firing batteries and hundreds of missiles, and the IAF received 15 Akash missile squadrons valued at ₹10,900 crore (Pandit 2016). Such fortuitous turn-of-events have happened in the past too. The defence ministry, last year, had announced that it was negotiating with Russia for three Grigorovich class frigates "to be built by the Ambani owned Piparav Shipyard" (Pandit 2015). The same day, having acquired Piparav Shipyard for ₹2,082 crore, he announced a further investment of ₹5,000 crore over the next few years (TNN 2015). So a lot rides on the DPP.

The union minister for defence drew attention to a special feature about the military sector. Ruling out privatisation or divestment in defence public sector undertakings (PSUs) he said that it is only these who can afford to maintain idle infrastructure and "sustain such capacities" (PTI 2016). The only possible meaning of this statement is that defence manufacturing contracts are not a certainty. On the other hand Airbus, a foreign OEM (original equipment manufacturer), said it was ready to invest ₹5,000 crore in India but the foreign direct investment (FDI) cap of 49% was "insufficient" to get quality OEMs for "Make in India" initiatives, and then added, "There will be no investment, if there is no contract, it's as simple as that" (Pubby 2016a).

In other words, private manufacturers, particularly foreign OEMs, want firm contracts from the government to purchase their military hardware because "idle capacity" is anathema for them. In other words, this will tie India down to big ticket acquisitions and to guaranteeing financial returns to their "Strategic Private Partners," even when the country's strategic perspective and threat scenario changes or acquisitions no longer require this. This makes the entry of the

private sector, particularly foreign OEMs, problematic. It will make us more, and not less dependent on foreign suppliers and the powers that control them, apart from tying-up our relatively scarce resources for decades.

It is in the very nature of the military that marks out its difference from other economic activity. The government is its main, if not only, buyer, and sovereign states or corporations enjoying sovereign guarantees, its potential trade partners. Strategic perspective can, and do, alter with changes both domestic and international, which have a significant impact on defence procurement. For example, for India if the conventional two-front war is ruled out, the very logic for setting 42 squadrons as a benchmark for the air force becomes redundant. The requirement of fighter jets gets trimmed. So what is the threat perception, projected requirement, etc, to make it attractive for foreign OEMs keen to enter such a risk-filled sector?

What Is Indigenous?

The new DPP calls for preference for Indian designed, developed, and manufactured (IDDM) equipment. IDDM is defined as equipment where the indigenous content is 40% if it is designed indigenously and 60% if the design is imported. By this standard, the joint venture between Ambani and Israel's RAMS would qualify as IDDM. The "Indian vendor" defined under DPP is an entity which is compliant with industrial licensing and other regulatory requirements. Would this not also qualify wholly-owned subsidiaries of foreign companies as Indian offset partners? Besides, even a foreign designed equipment can become "indigenous" through 60% sourcing of contents from the domestic market. The significant thing to note is the relative weight of imported components in the military sector vis-à-vis parts manufactured in India. If these imported components contain source codes and critical elements of technology, the likelihood is of India becoming more, and not less, dependent.

If the definition of "indigenous" is made malleable, as evident above, the very idea of self-reliance gets nullified.

There is reason to fear this in the current scenario. Last year the Ministry of Commerce and Industry (MCI) announced the withdrawal of critical preference given to defence PSUs in the form of relaxation of excise and custom duties, asserting that this was meant to provide "a level playing field...by taking away the strategic advantage with PSUs for quoting lower rates in open bids" (*Economic Times* 2015). This was a key demand of foreign manufacturers, the so-called "Original Equipment Manufacturers" and their Indian partners, according to the MCI who said that the government had "fulfilled demand of foreign Original Equipment Manufacturers such as Boeing, Airbus, Lockheed Martin, BAE System..." (Kulkarni 2015b). Union Minister for Defence, Manohar Parrikar, had further opined,

India's demand for defense equipment is too large for anyone to ignore. They (multinationals) will come and set up their businesses here in joint venture under the Make in India campaign for defense production... Once they are here, Indian companies can get maintenance and spare parts business (*Hindustan Times* 2015).

Significantly, senior officials of defence PSUs complained that they were not "consulted" and that the duty hike will push up domestic cost of defence goods being manufactured in India. One senior officer had then said that it is actually the "DPSUs that need to be given a level playing field ... and not the other way round" (Joshi 2015).

Role of the Private Sector

From the defence minister's remark then, it is apparent that India's private sector is being seen as playing second fiddle to foreign OEMs. Will foreign OEMs want India to become an export hub for military equipment or use it as a source for components manufactured at cheaper rates to cut their overall operational costs, as is usually done by multinational corporations? Will "Make in India" actually turn India into becoming a junior partner of foreign OEMs? And will it entail becoming a military ally of the US-led North Atlantic Treaty Organisation in order to acquire military technology?

A common argument of the proponents of the private sector is that the public sector has shown itself to be incapable of meeting the country's military needs.⁴ But shortcomings of the defence PSUs should not hide the fact that the private sector is wasteful in a far more damaging way, because it is guided by the profit motive. In contrast, the defence minister recently reminded us that defence PSUs alone can sustain "idle infrastructure" and the skilled workforce, if there are no contracts. In other words, will the government compensate OEMs for "idle capacity?" There are, moreover, PSUs that have been doing well, such as in the space and shipbuilding sectors. However, a bloated officer cadre and depleting workforce in defence PSUs cannot be a good way to improve their financial or operational health (Navlakha 2013). The military is a sector where there is one buyer and several suppliers. While private suppliers will be keen to corner more and more funds, the goals of the defence PSUs are vastly different—indigenous development of defence manufacturing capacities, not profit.

There are other good reasons for sounding a warning on public-private partnerships in military matters. Anil Ambani was quoted last year as saying that the "long shadow" of the "three Cs"—Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC), and the Comptroller and Auditor General (CAG)—should be replaced by two new Cs—"courage and conviction" and added, "[the] modernisation of armed forces cannot be held hostage to indecision and delay" (TNN 2015; Chandran 2015). What is worth noting is that the private sector abhors being placed under a regulatory regime, whereas defence PSUs are audited by the CAG and remain under parliamentary scrutiny. Given the nature of the defence sector and its "national security" dimension, which the government never tires of reminding us, we need a strong regulatory regime, rather than a weakening of it.

Just as tweaking specifications can work in favour of a single vendor, a heightened threat scenario and jingoism can bring about a mad rush for "big ticket"

military hardware. Moreover, if in a joint venture between an Indian corporate house and a foreign OEM, the foreign partner is found to be implicated in some wrongdoing, what happens to the joint venture? This is not a far-fetched scenario. Recent disclosures in the “Panama Papers” have revealed that Electronics, an Italian defence contractor, with a partnership with Alpha Design Technologies and Adani Aero Defence Systems to manufacture military drones, paid commissions for defence sales in India (Pabby 2016b). Or what is one to make of the latest round in the AgustaWestland scam where Italian firm Finmeccanica was accused of paying bribes in India and for tweaking specifications for helicopters. Proceedings had already begun by the previous government in January 2014 to ban this company. But the two companies found their suspension lifted when Narendra Modi’s NDA government came to power in May 2014. Whichever way we look at it, in essence, “indigenisation” is being hollowed out and the NDA government is ensuring that we become more dependent, not less, on foreign powers and big corporations for defence manufacture and supply.

Wrangling over Rafales

Meanwhile, contract negotiations continue to remain in “rough weather” over Dassault’s Rafale jets. Two issues have been flagged: the liability clause and the price issue. Reportedly the union law ministry red-flagged the liability clause and the lack of a sovereign guarantee, when the contract requires huge payouts in advance without actual delivery. A senior unnamed officer told the *Indian Express* (Chibber 2016), “[in] our opinion the two documents (draft Inter-Governmental Agreement and Draft Supply Protocols) were not drafted with the interest of Government of India in mind.”

The liability clauses were “watered down” and what was also found objectionable was the clause which binds India, in case of material breach by suppliers, to first take legal action against the company without involving the French government. This, the officials reiterated, may be normal in commercial deals but

not in military trade (Chibber 2016). So it is not just the cost that has to be finalised but even the liability clause remains unfixed.

The per unit cost of the Rafale jet remains another issue in marked contrast to much fanfare over the Indo-French preliminary agreement. Apparently the benchmark now being used for fixing the price is the deal France signed with Egypt, where 24 jets have been sold for €5.2 billion or a little less than \$7 billion. Newspaper reports have suggested that price being offered to India will be the same as the price worked out with Egypt and Qatar (Kulkarni 2015); the price “cannot be less than what the other two countries (Egypt and Qatar) have bought it for.” In other words, the per unit price will be a lot more than what was initially negotiated. We also know that the IAF has asked for a total of 80 jets, that is, 44 jets in addition to the number now being negotiated (Banerjee 2015).

The news agency *Reuters* carried a story which cites “two senior officials” as saying that the two sides—India and France—were “wrangling over the unit price.” An official was cited as saying that “since there is no technology transfer price... on the table...(then) the (earlier) commercial terms cannot hold” (Migliani 2015). But if the benchmark for the unit price of the Rafale fighter jet is what Dassault is getting from Egypt and Qatar, and there is to be no technology transfer, then surely “wrangling” was to be expected because the price now will have to be negotiated afresh. The latest news on this front claims that “most of the hitches have been addressed” and that “few” which remain will “possibly” come up before the next meeting of the high-powered defence acquisition committee. It was also claimed that the price per unit has been brought down and the total outgo is sought to be kept below ₹60,000 crore (or €8 billion) (*Hindu* 2016; Gupta 2016).

As for getting around the liability issue, the Indian government proposes to replace a €130 million bank guarantee with a “comfort letter” (*Hindu* 2016; Gupta 2016). In other words, we are still some distance away from signing a deal.

Besides, there is no clarity over who the Indian private sector partner for Rafale will be.⁵

Thus, if the NDA government thought it would be able to swiftly acquire the fighter jets at a lower price than the 2012 deal struck by the UPA, it was mistaken. The union defence minister had famously claimed a “saving” of ₹60,000 to ₹65,000 crore in the Rafale deal when the 2012 agreement was cancelled and had declared that this “saving”—due to cancellation of production by defence PSU Hindustan Aeronautics—would be better utilised. But there was no real “saving”; it was only notional. The BJP went on a media overdrive claiming that the country had managed to “save” ₹21,000 crore by striking the deal at ₹59,000 crore for 36 jets. The Ministry of Defence was forced to issue a formal statement stating that the deal was not done as yet. So where does the ₹21,000 crore saving appear, when the cost of the 36 Rafale jets, as per the earlier 2007 tender while keeping the cost escalation into account, comes to around ₹65,000 crore (PTI 2016b)? It was also reported that actual deliveries will materialise only three to four years from now. Therefore, if this “new” deal was expected to result in saving scarce resources and plug the shortfall in the squadron strength of the IAF, it has not managed to do either; there is no savings nor has it managed to fill the gaps yet and will do so only in an indeterminate future. How does this serve the “national interest?”

If the long-drawn-out process—where tenders are issued, players are shortlisted, the scrutiny is meticulous and then negotiations are held to ensure transfer of technology—must be replaced, does it mean that we begin a new policy regime by cancelling a near complete deal? What we have before us is the cancellation of an agreement which had been reached after due process and its replacement by a model where a government to government deal is going to result in higher numbers of off-the-shelf purchases of fighter jets. In this India will become dependent on Dassault for 30 to 40 years for spare parts and critical components, and the scope for indigenisation has been vastly reduced.

Conclusions

If the UPA was plagued by indecisiveness, the NDA is showing a propensity towards recklessness, where agreements and policies are announced even before critical issues have been thrashed out. In other words, what is projected as “bold” and a new policy, such as the DPP, is a half measure. Those who will get preferential treatment as strategic partners have yet to be worked out. These will be sorted out eventually, but it is certain to tilt in favour of the ruling dispensation’s favourite corporate houses and their joint ventures with foreign OEMs; and the cost and consequence of this will be borne by many future generations to come.

We live at a moment when the policies themselves pose serious threat of weakening our defence manufacturing capabilities and increasing our dependence on foreign suppliers, investors, and technology providers, not to forget foreign military powers. We are on a threshold of an ill-thought-out foreign OEM driven defence “indigenisation” programme which can wreck India’s strategic autonomy. Capacities could get created and employment generated which will then be used to arm-twist governments to provide contracts. Having hyped “national security,” declared virtually everybody other than themselves to be “anti-national,” their own performance appears vacuous and lacking coherence and purpose.

It is not this government’s credibility that is worrisome; it is what it reflects about our country’s strategic thinking and preparedness under the BJP rule, that is of concern here. With only a few in the know and fewer part of its decision-making, the “holy cow” syndrome regarding military matters has taken over. Just as the “holy cow” is holy only for a few and not most Indians, yet we cannot question the whims of these few because they control the levers of powers; similarly we are supposed to remain mute while we are being driven to dependency and degradation by inviting foreign military behemoths to invest in India because we are being fed “Make in India.”

Postscript

When the union minister for defence formed five subcommittees in May 2015

to decide the criteria for selecting strategic partners, all five were headed by top officials of private companies and the defence PSUs were kept away from the process. Billions of rupees of public money have been invested in defence PSUs and ordnance factory boards. To now marginalise them is to waste scarce human and material resources for reasons of dogma and ideology. Now comes the news * that many recommendations of the subcommittees are contradictory, and that two subcommittees failed to even agree on their recommendations (Singh 2016). So an “internal committee” has been set up to reconcile differences. Some private companies now argue that the very concept of strategic partners is “causing further delays in the existing programs.” Further, the idea mooted by the ministry of defence to award contracts to private parties on a “cost-plus basis” is controversial. A former financial advisor on defence acquisitions says that the Ministry of Defence lacks expertise to work this out; it will lead to accusations of unfair advantage from competitors and also to objections from the CAG.

Meanwhile, US OEM Lockheed Martin is lobbying hard for palming off its F-16 fighter jet assembly line to India (Peri 2016). This four-decade old “fourth generation multirole fighter” is being replaced in the US with fifth generation fighters. If this is accepted India will get a combat fighter which the US no longer needs, and will be stuck with it for the next many decades, when India has itself been considering co-producing a fifth generation fighter (Pandit 2016b).

The wrangling over the Rafale jets continues, the Tejas fighter plane has been inducted with riders, the strategic

partner system, which is supposed to usher in indigenisation is stuck, and the offer from a foreign OEM is an “assembly line” of the dated F16. Verbosity and pouring scorn on everybody requires little expertise, maintaining strategic autonomy and an independent foreign policy requires vision. The country is still searching that.

NOTES

- 1 No authoritative account of troop deployments in internal war theatres is available. By far the best autonomous assessment available is in chapter 1 of the Jammu Kashmir Coalition of Civil Society (JKCCS) report “Structures of Violence: The Indian State in Jammu and Kashmir,” Srinagar, September 2015, from pp 10–15. They estimate the Indian army deployment to be 3.8 lakh and CAPFs at 1.28 lakh. There is backing for this counter-insurgency or COIN created deployment in what Lt General H S Panang, then GoC-in-C of the northern command was cited as saying by the *Daily Excelsior* (Jammu) in “Time Not Ripe for Troops Withdrawal;” 16 June 2007. Although he claimed that only 25% were engaged in COIN, 25% in providing logistics and rest are deployed on LoC for counter-infiltration purposes, even this is linked to COIN. Also because III and IV Corps of the Army are deployed for COIN in North East India a figure of 5,00,000 for army deployment in COIN is a realistic approximation. The figure 8,50,000 is derived from the fact that 85% are deployed in Jammu and Kashmir, North East and for “Operation Green-hunt” in 10 states of India.
- 2 As for CAPFs, see the report of the Seventh Pay Commission, November 2015. In particular, p 23 for increase in CAPF’s strength from 3.25 lakh to 9.8 lakh in 2014 and p 592 where the report says that “during 2006–14 while every major ministry/department witnessed decline” it was only MHA (Police) which “witnessed an increase from 7.4 lakh to 9.8 lakh.”
- 3 Several questions have been raised about the two-front war. After independence India has not fought a single two-front war. Even in 1971 China did not enter the war, when it appeared most likely. That apart, many wonder if the answer to a possible two-front war, insofar as the IAF is concerned, lies less in increasing the number of fighter jets or by adding a range of missiles, drones and radars—a less expensive proposition. Major General Dhruv Katoch, former Director of the Centre for Land and Warfare Studies, said that while India has two borders of “concern,” he did not “anticipate” any conventional threat on the Western border over the next decade. This, he said, was a “window of opportunity” to try out a new weapons system, “even if it is

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not the best" and build our own "military industrial base" (Raghotham 2014).

For more on the two-front war scenario, see Pandit (2012) where he refers to military officials pointing to single front "skirmish" as a "much more real" scenario. Also, see Joshi (2016) and (Simha 2016) for current discussions on this.

- 4 As per the annual report of the ministry of defence, 2014–15, the total value of production of the 39 ordnance factories and the eight defence PSUs in 2013–14 was ₹44,096 crore and their profit after tax was ₹4,471 crore. They employed a total of 1.8 lakh people.

In an earlier piece (Navlakha 2013) I referred to a Comptroller and Auditor General's report (Army and Ordnance Factories, Report No 16, 2012–13: 90–97) that 39 ordnance factories and eight defence PSUs employed 98,914 personnel in 2010–11. Since 2006–07, there has been a decline of 12% in "industrial employees" (a euphemism for workers)—their number fell from 74,181 to 65,306. In the same period, the number of officers increased by 139%, from 3,877 to 8,306. There is no explanation why there was this rise in Group A and B officers while the number of workers was declining. The shortfall against the target increased from 26.71% in 2006–07 to 34.90% in 2010–11, and capacity utilisation of the plants declined from a high of 84.90% in 2007–08 to 71.64% in 2010–11. But, the CAG notes, supervision charges as a percentage of direct labour charges were "quite high." The report says, "For every ₹1.00 spent on direct labour, the supervision charges ranged between ₹1.18 to 1.40."

In Aero-India 2015 in Bengaluru, the Prime Minister stated that 2,00,000 people were employed in the public defence sector. He asserted that 1,00,000–1,20,000 skilled jobs could be created by reducing imports by 25% to 40% and also that no less than 2,00,000 workers would be required in the aerospace industry (Singh 2015); also see Navlakha (2015b).

- 5 In an interesting twist the Hindu newspaper carried a report which said that every major aspect of the Rafale deal is entwined in difficulties (Joseph 2015). "Among them are French side's concerns about a major Indian private conglomerate whose services are being recommended by some sections of Indian government." The "key" concern is the role the Indian company will play in the deal. The due diligence done by Rafale on the "recommended" conglomerate has thrown up questions over its financial capabilities. This issue remains unresolved till now.

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