

Comparison between Defence Expenditure in India and Pakistan in respect to their Security Scenarios: An Analysis

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ABSTRACT

India and Pakistan both are South Asian developing nations with common history. India exercises comprehensive democracy while Pakistan practiced both democratic and military rule. In discourses, defence vs development is always a point of conversation among academicians, army personnel and thinkers of strategic studies and social sciences. A nation can neither ignore its development nor its defence. Defence expenditure is also an essential evil of nation-states. This paper examines the justification of defence expenditure of India and Pakistan in respect of their security and threat scenarios.

1. Introduction

According to Stockholm International Peace Research Institute (SIPRI), military expenditure includes all current and capital expenditure on the armed forces, including peace keeping forces, defence ministries and other government agencies engaged in defence projects, para-military forces when judged to be trained, equipped and available for military operations, military space activities. Such expenditures should include personnel, all expenditures on current personnel, military and civil, retirement pensions of military personnel, social services for personnel and their families, operations and maintenance, procurement, military research and development, military construction, military aid (in the military expenditures of the donor country) and exclude military related expenditures like civil defence, current expenditure for previous military activities (veterans benefits, demobilization, conversion of arms production facilities, destruction of weapons)ⁱ

Both the countries have common history of defence budgeting before independence. Defence expenditure was pegged at Rs. 55 crore per year, which was more than half of the central government's revenue. Then, there was no external threat from outside except during world war second.ⁱⁱ

In India, defence budget is a part of overall budget and presented by finance minister of India. In past, it was not given importance like rail budget which was presented separately by union rail minister. It means defence is always dominated by development in India. The Finance Division in the Ministry of Defence deals with all financial matters of the Ministry including Department of Defence, Department of Defence production, Department of Ex-servicemen Welfare and Department of Defence Research and Development.ⁱⁱⁱ

2. Determinants of Defence Budgeting in India and India's Security Scenario

- (i) India has an area of 3287590 square kilometer (kms) with 15200 kms. land and 7516.6 kms sea border. Country is struggling on both east and west border

with China and Pakistan respectively. India has disputed border with china from Laddakh to Arunanchal Pradesh including many flashpoints like Dault Beg Oldy, Doklam and Tawang (Arunanchal Pradesh) and confronted border with Pakistan. Both the neighbouring countries equipped with nuclear arsenals having sophisticated delivery system.

- (ii) Indian north-eastern states– Asam, Arunanchal Pradesh, Manipur, Mizoram, Meghalay, Tripura, Nagaland– bordering with Myanmar, Bangladesh and China also are suffering from insurgency. The insurgent groups of north-east states get supplies of ammunitions, shelter and finance from bordering countries.
- (iii) Jammu Kashmir is burning by Low Intensity Conflict (LIC). Thousands of people and army personnel are killed every year.
- (iv) Indian Navy safeguards 7516.6 kms. sea border with exclusive economic zones (EEZ) in Arabian and Bay of Bengal. In spite of it, Indian Navy provides security to trade ships from Harmuz to Adan and now it is at the doorstep of being blue water navy.
- (v) India's central peninsular situation in Indian Ocean and geo political circumstances of Asia make it reliant on seas. India's oil imports have risen to nearly 80%, almost all of which is transported by sea. 95% of India's total overseas trade by volume is through shipping. A third of the world's bulk cargo and half of its container traffic pass through the Indian Ocean. The security of trade and commerce is, therefore, of utmost primacy and importance for India. The location of choke points such as Straits of Hormuz, Malacca and others and the presence of multinational maritime forces makes the scenario in the Indian Ocean Region (IOR) dynamic.^{iv}
- (vi) India is regularly working on its act east policy and trying to increase its dominance in South China Sea and African states. So, India needs a very powerful navy having the potential of blue water navy.

3. Determinants of Defence Budgeting in Pakistan and Pakistan's Security Scenario

1. It is called in Pakistan that it is located in the paradise of the region, from the warm seas to the highest peaks; the China-Pak-Soviet trio can connect most of the regional states together in all terms.^v On the other hand Many Pakistani analysts believe that United States of America, Israel, India, Afghanistan and Russia want to break Pakistan into four different parts. But in reality, Pakistan having 6774 kms land border and 700 kms coastline with 796,096 square kilometers area shares border with an insurgency prone nation Afghanistan, Iran, China and India.

Table: 1
Border countries with Pakistan

Se. No.	Name of border countries with Pakistan	Length of border (IN Kms.)	direction
1	Afghanistan	2430	West
2	China	595	North east
3	India	2240	East
4	Iran	909	West
Total	5174 Kms.		

Note: Data collected from different sources

2. India and Pakistan shares 3323 kms land border with each other 461 kms land border in Punjab fenced in 1993 and by 1999 in Rajsthan.^{vi} Pakistan perceives only one external military threat from its eastern border i. e. India. Afghanistan also share a long border but trying to be able to stand on its own feet with the insurgency problem. So, Afghanistan cannot be a military challenge to Pakistan. In conclusion, Pakistan is able to overcome by its traditional military power to external military threats from other neighbours except nuclear India. As table 1 shows that Pakistan shares rather a small border of almost

560 kms with china and has sweet relations with dragon.

3. Federal Administered Trade Area (FATA), Baluchistan and Sindh are mostly disturbed areas of Pakistan. Moreover, Pakistan is suffering with the sectarian violence made by religious extremist and internal insurgent groups. In spite of it, many 'non-state armed actors' harm its own internal security to whom Pakistan uses as its own security tool against India especially in Kashmir.
4. Dominance of Pakistan's army over democracy may be seen in its general elections and in defence budget also. Defence sector of Pakistan gets a large amount of its general budget. A huge defence budget provides rather more opportunities to top military officers to save black money. Pakistani army shows the fear of future war with its arch rival India to increase defence budget. As per Pakistani analysts also, Pakistan needs to build its responses to possible scenario it may face in a future crisis with India.^{vii}

4. Comparison between Defence Expenditure in India and Pakistan

Comparison of several quantitative determinants of defence expenditures in India and Pakistan reflects the real picture of the necessity of their defence expenditures. India's determinants of defence expenditure compel to the nation to expend more on defence sector than Pakistan. But comparatively India is expending less than Pakistan in terms of ratio of the determinants of the defence expenditure. Military budget ratio of India and Pakistan is almost 5:1, while only population ratio is bigger than ratio of defence expenditure (See table 2)

Table: 2
Comparison between Determinants of Defence Expenditure of India and Pakistan

Se. No.	Factors	India	Pakistan	Ratio
1	Military budget (in U. S. dollar)	55.9 billion	10.8 billion	5.175 : 1
2	Military budget in % of GDP	2.5	2.9	0.86 : 1
3	Land border (in km)	15200	6774	2:24:1
4	Coastal border (in km)	7516.6	700	10.7:1
5	Special economic zone (in sq.km)	2172000	240000	9.05:1
6	Area (in sq.km)	3287590	796095	4.12:1
7	Population	1276267000	199085847	6.41: 1
8	Active personnel	2140000	653800	3.27 :1
9	Reserve personnel	1155000	513000	1.45 : 1
10	Nuclear weapons (estimated)	110-120	120-130	1:1

Note: Data collected from different sources

Indian defence budget comprises two types of expenditures-

1. Revenue expenditure is allocated for pay and allowances for active military personnel and pension.
2. Capital expenditure is allocated for capital acquisition and other than capital acquisition. Capital acquisition

is allocated for purchasing new weapons systems and platforms required for modernisation.

In current defence budget of India, for Pay and allowances for active military personal \$30.61 billion, purchase of new weaponry (part of capital Acquisition) \$ 15.15 billion, defense pension (for retired military personal) \$17 billion are

allocated.^{viii} According to a parliamentary panel, the current defense budget as a percentage of GDP is at the lowest level since 1962. In the years 2012-13 and 2013-14 the share of capital expenditure was 39% which in the year 2017-18 and 2018-19 came down to 33% and 34% respectively.^{ix}

There is a trend of declining capital expenditure in India's defence budget. In year 2018-19 Indian defence budget growth is 5.89% against the previous year. It is harming defense modernization badly in India. India should be prepared for new high technology war like cyber warfare.

As per Pakistani analysts, Defence sector of Pakistan is not eating up the largest chunk of Pakistan's budget. According to 2017-18 budgets, the government has allocated Rs. 920 billion for defence spending. As a percentage, the total spending hovers around 18 percent of total budget of the country. The single largest allocation in budget 2017-18 went to the Public Service sector, which is Rs. 2,553,633 million

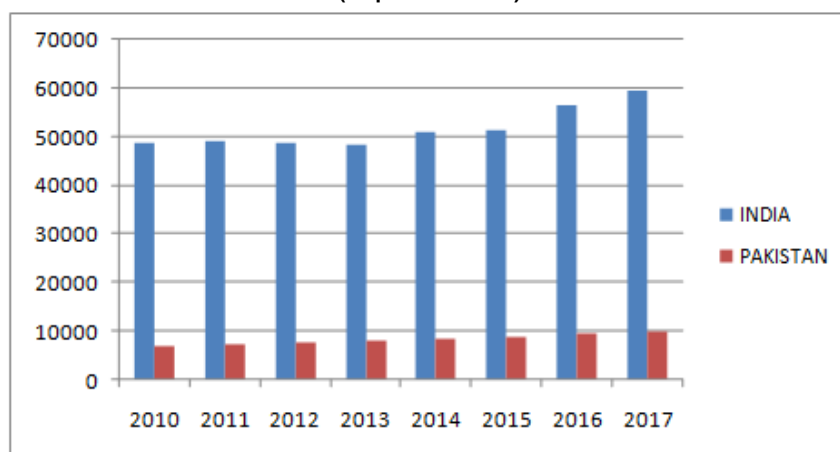
hovering around 67.8% of total current expenditure. The second largest allocation in budget 2017-18 went to markup Payments including domestic and foreign debt. The budget had allocated Rs 1363,016 million for markup payments sector. Third largest sector remained Public Sector Development Programme (PSDP). The government had allocated Rs 1001billion. The fourth largest sector in terms of allocation is defence sector.^x

Table 3 and graph 1 shows the ratio of defence expenditures of India and Pakistan. In terms of quantity, India's defence expenditure is always higher than Pakistan. But as per other sources, Pakistan conceals its some defence expenditure. Pakistan defense budget of 2018-19 does not include several allocations for the military including Rs. 260 billion for pension, which is 76% of the federal governments total pension bill, expenditure on nuclear and missile programmes and major planned military hardware acquisitions.^{xi}

Table: 3
Comparison between Defence Expenditure of India and Pakistan

Se. No.	Year	India (in US Dollar Million)	Pakistan (in US Dollar Million)	Ratio of Defence Expenditure of India and Pakistan
1	2010	48600	7061	6.88:1
2	2011	49071	7322	6.70:1
3	2012	48896	7719	6.33:1
4	2013	48536	8186	5.93:1
5	2014	50909	8455	6.02:1
6	2015	51393	8883	5.79:1
7	2016	56638	9649	5.87:1
8	2017	59757	9974	5.99:1

Graph: 1
Comparison between Defence Expenditure of India and Pakistan
(as per table no.3)



5. Analysis

There may be a problem of security Dilemma with Pakistan. Any defence development in India may be perceived by Pakistan as its own threat. Policy makers in Pakistan want an edge to maintain lead against India in conventional as well as in nuclear war. But many times it has been proved that conventionally India is more ahead than Pakistan.

Pakistan perceives India from its origin that with super powers, India can break Pakistan for its 'Akhand Bharat' conception of nationalist leaders. But after becoming Pakistan a nuclear state, it is impossible for India. And Pakistan as its leaders and army used to tell, Pakistan has second strike capability against India. Thus, there is no justification for Pakistan to spend its large portion of GDP on defence expenditure. By spending large amount on defence, Pakistan is in loss not in gain. A country, having worst economic

condition, should more focus on development than defence. Pakistan itself has created propaganda of Indian fear in his public. Actually, there is minimum danger and maximum propaganda.

Pakistan needed so high defence expenditure (in terms of its GDP) if, Pakistan want to invade Jammu and Kashmir like in Kargil in 1999. But, like earlier, if India likely to lose in Kashmir, India will open other fronts in Rajsthan and Punjab borders and it will be more dangerous for Pakistan. Pakistan and India blames each other for unrest in Baluchistan and Sindh and Jammu and Kashmir respectively. But unrest in Baluchistan and Sindh and tiny small confrontation between Rashtriya Rifles and Pakistani Rangers not allowed to Pakistan to expend so much on gun instead of butter.

In case of nuclear development, Pakistan can spend more to get security through deterrence against India. But policy makers in Pakistan would be aware with the fact that no wins nuclear war. In case of nuclear exchange in war, both sides are looser. Due to international pressure and their own ecological constraint both India and Pakistan cannot use nuclear weapons and ultimately conventional military superiority is the only option for both the countries.

India's defence expenditure is justified because it is a regional power and fourth largest economy of the world. It is likely to be super power and competing with china for its economic, political and strategic dominance in Asia as well as in world. Thus, there is a rightful meaning of India's defence expenditure.

6. Conclusion

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There is a difference between Pakistan–India and India–China condition. A permanent line of control exists between India and Pakistan. India and Pakistan has border disputes only in Kashmir. But India and China have clashes from Aksai–Chin to Arunachal Pradesh and competing with each other in Bhutan, Nepal, Bangladesh, Myanmar, South–East Asia, and South-China Sea and in Indian Ocean for their trade, security and strategic interests. Moreover India and China both are competing for Asian and world leadership in world trade and economy. Pakistan cannot touch this line in near future.

India's defence expenditure is china oriented and not to Pakistan. Pakistan may be a threat but not may be a grave threat to India. Every time, in spite of its lacking and vulnerabilities India has defeated Pakistan. India's defence expenditure is justified in terms of its GDP.

There are some problems in whole of Indian defence system. Defence Research and Development Organization (DRDO) has become synonym of white elephant. Weapon systems of Indian Defence Public Sector Units (DPSU) are costly and time taking. Indian private defence companies are unable to deliver suitably. On the other hand, 'Make in India' is proving a flop show. But there are some positive signs in Defence Production Policy- 2018 than Defence Production Policy- 2011.

India should decrease its dependency on foreign suppliers to save capital and to improve domestic defence research and development (R & D). It is necessary to expand our defence export and to find out new markets. We have to strengthen our Defence Procurement Procedure (DPP) and Indian Design Development Management (IDDM).