

# How Defence Spending Hurts the Poor

by

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DEFENCE spending in India hurts the poor in three ways.

The first is that much of the Central Government budget is financed through excise duties which are regressive; a substantial part is financed via deficits which fuel inflation. My consumption of matches, sugar, tea, kerosene, cloth, etc., constitutes a rather small part of my monthly budget. I am, then, better able to afford the excise duties. Similarly, my ability to cope with inflation is much better than that of a poor person. So every time the defence budget jumps, I pay a lesser price than a poor person.

The second is equally obvious. Increasing requirements for defence land results in increased acquisitions; as in all acquisition cases, the poor suffer more than the rich.

The third way is somewhat harder to quantify because it concerns attitudes. So much of the Indian elite's attention is devoted to furthering the

illusion that we are a power to be noticed that most of the elite has little time to concern itself with the poor. The elite, by definition, consists of the best and the brightest of the land. If the elite would rather worry about Nelson Mandela and his South African struggle than about drinking water in India, who is to help the poor?

This said, all three statements need qualification.

Defence spending is probably somewhere around 22+ percent of the Central budget and close on to six percent of the GNP. My definition of defence spending, first articulated in the Illustrated Weekly, aggregates all defence expenditure, direct and indirect. It seems from recent

revelations that I had grossly underestimated the hidden spending on Soviet weapons imports. The above is a very rough ball-park figure without a detailed study of the newly available figures. It must, therefore, be taken purely as an approximation. The above means, however, that

over 75 percent of Central spending has nothing to do with defence. The waste here is colossal. This waste is also being financed by regressive excise duties and inflationary deficits. So while we must be concerned with the effect of defence spending on the poor, we must avoid attributing to it a greater villainy than is fair.

The same applies to land acquisition. The military at least makes an effort to acquire land of least economic value. The civilian sector, particularly the irrigation interests, deliberately goes for the highest value land to make money on felling timber.

As for absorbing itself in opium dreams instead of concerning itself with the problems of the poor, well,

the elite of India has many such dreams. The defence related one is rather minor.

This also said, it remains that I specialise in defence, and Manushi wants me to comment on that alone, not to pontificate on the problem of the poor as a whole. So let me confine myself to some general observations in the hope of persuading others to agree.

Defence doesn't have to be anti-poor all the time. In China, for example, the defence sector is a positive poverty-alleviation measure in that it takes up poor people as soldiers and gives them food plus training which can be utilised in their return to civilian life.

China, however, has a very different military structure from India's. With a population some 20 percent more than ours, it supports three times as many men in its armed forces. If we could put 2.5 million men into the Army, then we'd be making a real dent in the employment problem.

But we cannot, because our military structure has been designed as a mirror-image of that maintained by highly industrialised nations. It is very equipment-heavy, leaving little for manpower. And to make the matter worse, a good part of the money paid for equipment goes to foreign countries, particularly to the Soviet Union. If and when the Arjun main battle tank is produced, at today's prices it will cost around Rs 3.5 crores. Let us make a wild guess and say that the money will provide 50 men employment for a year in the Arjun factory and ancillary suppliers. I am subject to correction, but I feel the order of magnitude is correct. The same money, however, could provide Rs 10,000 as capital for 3500 people to set up their own little businesses and become self supporting.

The Chinese are poorly equipped,

and till recently 100 percent of their equipment was produced indigenously. That meant most of it is rather poor compared to Western and Soviet weapons. But at least the money doesn't go outside the country, and as a percentage of the Defence budget, equipment absorbs a much smaller part than is the case in India.

The Chinese also keep their men for a shorter time than India. Our men serve for, say, 17 years. Most Chinese troops serve for three. This means that whereas every year we can offer 50,000 new jobs in the Army, the



Chinese can offer something approaching one million.

It can be argued that after three years the typical Chinese soldier is out in the street. But after 17 years so is the average Indian soldier, and at 35 he is less able to make the transition, and less able to apply his skills in the civilian sector. By taking up boys at a dangerous stage in their lives, giving them discipline, training and a sense of nationhood, the Chinese are doing more for their poor than we are.

A minor point here. The Chinese have conscription, and as such they

take up a very high percentage of poor into service. I wonder if any study has been done showing how many poor people get into the Indian Armed Forces. In so far as we require a minimum education, my guess is that we are taking up a much smaller fraction of the really poor.

We must avoid taking the position that defence is bad per se. Even totally peaceful countries like Canada and Australia, who have no desire to be dominant on the world stage, maintain armed forces. We live in a Darwinian world, as has been shown for the umpteenth time by the Iraqi conquest of Kuwait. Even when no direct military threat exists, a military force structure is needed to provide an expansion base in case threats do develop, to permit safeguarding minimum sovereignty, and to provide some security to the people. Every single threat faced by India has been generated by its own arrogance and stupidity. But even if no threat existed, we would still need to maintain armed forces, probably at a level costing two percent of GNP.

A last observation. What is the purpose of spending so much on defence when we make so little effective use of our massive military power? We have so many pretentious to being a power of consequence. Yet whenever a crisis hits, we are reduced to impotent whimpering. Today it is Iraq's invasion of Kuwait, which is going to push up oil prices and wreck the precariously perched balance of payments. This is quite aside from the moral angle. Even tiny Belgium and tiny (in terms of military power) Australia are sending naval forces to assist Kuwait. India is confining itself to inane statements and even more to inane efforts by the minister for External Affairs to ingratiate himself with the aggressor. It is said that we have no option

because we must safeguard the rights of our citizens working in Kuwait and Iraq. But the point of all that military power is precisely that we are supposed to safeguard their rights without abasing ourselves before Iraq.

If we are going to grovel every time the going gets tough, it is better to grovel after spending two percent on GNP on defence than almost six percent. And if our idea of being a great power is beating Sri Lanka and the Maldives, we can as well do that on two percent.

### Postscript

*Both this and my previous article in Manushi have been written at the instigation of Madhu Kishwar whom I have never met. I am amazed at the subversive ideas propagated within.*

*Subversive, that is, in terms of my personal beliefs. I firmly support a hard state and a hard state military. It is essential, I believe, for India to restore its pre-1947 boundaries and bring Nepal, Tibet, Afghanistan, Burma, Sri Lanka and the Indian Ocean under its domination, as was the case before 1947. If this means force, 35 per cent of GNP spent on defence, and a million lives a year for 25 years, so be it.*

*Today we are passing through a peace and brotherhood phase in world relations. \* But I deny the possibility of a fundamental change in man's nature. The present phase is an aberration. It might last decades, but ultimately we will return to eras where the strong triumph and the weak go to the wall. For three millenia India has gone to the wall. This must stop and we must become strong.*

*So why have I contradicted my core premises, the fundamentals of my world view, in these two articles?*

*Because, ultimately, like all men,*

*\* This article was written much before the U.S. led Allied forces began the bombing of Iraq.*



*I am easily flattered, Madhu effortlessly manipulated me into writing something I don't really believe, simply by lavish praise.*

*"So what?" will ask those familiar with Madhu. "This is the way she works."*

*Two points.*

*One, having made a lifetime study of women and their ways, I thought I was immune to women like Madhu. Doubtless she is extraordinary. But that even I succumbed so easily shows me that men are even greater fools than I had believed.*

*Two, it is well known that men as a sub-species have no minds of their own. They perpetually dance to the tunes played by women.*

*Now, we may agree that the world is in a terrible mess and has been for as far back as history is recorded. Wars, exploitation of humans by humans, violence of a hundred kinds, brutality of the most extraordinary sorts against people, animals, and nature abound as far back as we can see.*

*Traditionally, it has been assumed that the mayhem and murder wreaked on the face of Planet Earth has been the responsibility of men. But god is a woman, and men are mere automations created for her*

*amusement. The play humans are acting out has been written by her, and by extension, all women.*

*If women now want a Gaia world (as I assume Manushi women want), then they should rewrite the script after understanding what led them to create this horribly brutal, turbulent and destructive world. It's no sense blaming this world on men.*

*(If my wife sees this, she'll laugh and say: "But, darling, Madhu is writing a new script and your recantations are part of it." If so, all I can do is be petty and mutter that I know I'm mindless, but Madhu should be more subtle and not remind me of it so openly.)*

*Ravi, thanks for the simple and compelling article showing that the enormous amounts being spent by the government on so called defence is hurting the poor without providing us with security or integrity.*

*Neither I nor any goddess of my acquaintance wrote the tune for your dance. Watching you perform it, though, may help all of us shed a little of our ignorance about defence related matters as well as fear of getting involved in what are seen as risky issues.*

**Madhu**