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**DAILY EDITORIAL
ANALYSIS**

TOPIC

India's Defence Budgeting

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INDIA'S DEFENCE BUDGETING

In News

- The parliamentary standing committee on defence recommended a benchmark percentage of GDP for defence allocation.

Status of Defense Budget

- The Union Budget for Financial Year 2023-24 envisages a total outlay of Rs 45,03,097 crore.
 - ♦ Of this, the **Ministry of Defence** has been allocated a total Budget of Rs **5,93,537.64 crore, which is 13.18 %** of the total budget.
 - This includes an amount of Rs 1,38,205 crore for Defence Pensions.
 - ♦ The total Defence Budget represents an enhancement of Rs 68,371.49 crore (13%) over the Budget of 2022-23.

Need for Defense Budget

- The planning and budgeting in the Indian military before the Russia-Ukraine war was for a short sharp conflict.
 - ♦ The logistics design was to stock up on 10i (10 days intense) war, and build up to a 40i scenario.
 - ♦ The refrain has changed, with the leadership of the armed forces now visualising an extended war scenario, as seen in Ukraine.
- Amid ongoing tensions and border disputes with China and Pakistan that occasionally spill over into armed clashes, There is a need to prioritise the modernisation of armed forces and self-reliance in arms production.
 - ♦ India needs to be prepared to deter China in the environs of the Malacca Strait and further east, as also in the Indian Ocean.
- The Army needs to modernise too and, considering its size, the Budget requirement would be considerable.

Concerns

- India's defence budget in the last few years hovered around 1.8 to 1.97 per cent of the GDP (Gross Domestic Product).
- Defence expenditure (revenue and capital), as a percentage of central government expenditure, has been declining — from around 16.4% in 2012-13 to 13.3% in 2022-23.
 - ♦ The Ministry of Defence had asked for ₹1,76,346 crore in 2023–24 for capital acquisitions but only ₹1,62,600 crore was allotted, creating a deficit of ₹13,746 crore.
- The allocation for defence in Budget 2024-25, which starts getting planned now, could take a hit due to elections
- This could impact India's deterrence posture, which defence preparedness is all about.

Parliamentary panel recent recommendations

- The government should fix a **“definite benchmark” percentage of the GDP for defence budget** as military expenditure by neighbouring countries and the evolving global security scenario warrant such an outlay for the country to prepare for dealing with future security challenges.
- It specifically recommended putting adequate focus on developing futuristic drones and electronic warfare systems to confront future challenges.
- The global “ideal” estimate for defence expenditure as a percentage of GDP is three percent.
 - ♦ It recommended in unequivocal terms that if not the global parameter of 3 per cent, feasibility may be explored to fix a benchmark as the country's GDP that will help in forming a right trajectory for the defence expenditure for the country.

Conclusion and Way Forward

- There are many sectors like health, education, infrastructure, etc. competing for resource allocation from the Union Government.
 - ♦ All sectors are important in some or the other way since they fulfil India's national aspirations of comprehensive national security with equal emphasis on human security issues.
- The recent wars in the international arena should act as a grim reminder that the nomenclature of war has really changed and defence preparedness in terms of an electronic warfare has become an imperative need for our nation,
 - ♦ The armed forces should be technologically modern at any given time. However, developing a local defence industry takes decades, necessitating a smart balance to be maintained between imports and indigenous accretions to ensure the required potency.
- It said for ensuring such preparedness in view of the prevailing security scenario in the world today, there is a need for constant requirement of funds at regular intervals.
- The momentum should be sustained with a continuum in policy making and adequate defence budgeting by making them election-proof.

Source: *TH*

DAILY MAINS QUESTION

Do you agree with the view that the evolving global security scenario requires India to increase its Defence expenditure ? Give reasons in support of your arguments.

