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Rising Military Expenditure in South Asia



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Rising Military Expenditure in South Asia

Defence expenditure has been a major issue and an ongoing concern in the developing world and, in particular, in South Asia. The debate about defence versus development is perhaps one of the oldest in the discourse around planning priorities. Notwithstanding various views around the world, nobody can dispute that money spent on arms, in a developing economy, must be at the expense of more pressing needs of social and infrastructure development.

In assessing defence spending in South Asia, we need to understand the geopolitical scenario around the region. South Asia may undoubtedly be defined as a region in historical and civilizational terms. But the question is, whether it can be considered a region in strategic and geopolitical terms, especially for purposes of analysing security policies? The security of countries in South Asia is directly and indirectly affected by the military postures and policies of many countries, both within South Asia as well as beyond it. As a consequence, the defence spending of the countries of South Asia is influenced not only by countries within the traditional South Asian region, but also by others, especially those bordering the region. For example, the then United States of Soviet Republic's (USSR's) intervention in Afghanistan in 1979 had a deleterious and direct negative impact on Pakistan, leaving scars that three decades later still run deep. After the withdrawal of USSR troops from Afghanistan, the people of the North West Frontier Province (NWFP) and Balochistan were equipped with arms and ammunition: a dangerous 'return gift' from the USA. Today, the Frankenstein's monster (mujahideens/ jihadis) created by the USA during the late '70s and '80s is victimizing Pakistan and Afghanistan in general and the NWFP in particular. At the same time, this intervention had a direct negative impact on India's security, resulting in the large-scale acquisition of military equipment in the early 1980s, which by 1985 had raised defence spending to its highest level since the Sino-Indian war in 1962. China, an otherwise

'non-South Asian' country with which India shares a long border as well as a long history of border disputes, impinges heavily on Indian defence policy and postures. Not only the subcontinent but the entire region has seen an increase in military expenditure since the early '80s.



RECENT TRENDS IN GLOBAL MILITARY EXPENDITURE

Global military expenditure in 2008 is estimated to have totalled USD 1464 billion. This represents an increase of 4 percent in real terms compared to 2007, and of 45 percent since 1999. Military expenditure comprised approximately 2.4 per cent of the global Gross Domestic Product (GDP) in 2008. All regions and sub-regions have seen significant increases in military spending since 1999, except for Western and Central Europe.

During the eight-year presidency of George W Bush, US military expenditure went up to its highest level in real terms since World War II, mostly due to the wars in Afghanistan and Iraq. This increase has contributed to soaring budget deficits. The conflicts in Afghanistan and Iraq have been funded primarily through emergency supplemental appropriations outside the regular budgetary process, and have been financed through borrowing. The use of such supplemental appropriations has raised concerns about transparency and Congressional oversight. These conflicts will continue to require major budgetary resources in the near future, even supposing a relatively early withdrawal of US troops from Iraq.

In Western and Central Europe, spending remained fairly flat in 2008, although some recent and prospective NATO members did increase their military spending substantially. In Eastern Europe, Russia continued to increase spending and holds plans for further increases despite severe economic problems.

Spending increased across most of Asia, with China, India, South Korea and Taiwan accounting for the bulk of this increase.

Algeria's spending, driven by strong economic growth and a rising insurgency, increased by 18 percent in real terms to USD 5.2 billion, the highest in Africa.

In South America, Brazil continues to increase spending as it seeks greater regional power status.

Military spending in the Middle East fell slightly in 2008, although this is probably temporary, with many countries in the region planning major arms purchases. In contrast, there was a large rise in Iraq, whose 2008 military budget was 133 percent higher in real terms than in 2007. While most funding for the Iraqi security forces previously came from the United States, this has been increasingly replaced by domestic funding. Iraq remains highly dependent on the USA for arms supplies, with numerous major orders planned.¹

The 15 Countries with the Highest Military Expenditure in 2008

(Figures are in USD, at current prices and exchange rates)

Rank	Country	Spending (\$ b.)	World share (%)	Spending per capita (\$)	Military burden, 2007 (%) ^a	Change, 1999-2008 (%)
1	USA	607	41.5	1 967	4.0	66.5
2	China	[84.9]	[5.8]	[63]	[2.0]	194
3	France	65.7	4.5	1 061	2.3	3.5
4	UK	65.3	4.5	1 070	2.4	2.7
5	Russia	[58.6]	[4.0]	[413]	[3.5]	173
Sub-total top 5		882	60			
6	Germany	46.8	3.2	568	1.3	-11.0
7	Japan	46.3	3.2	361	0.9	-1.7
8	Italy	40.6	2.8	689	1.8	0.4
9	Saudi Arabiab	38.2	2.6	1 511	9.3	81.5
10	India	30.0	2.1	25	2.5	44.1
Sub-total to 10		1 084	74			
11	South Korea	24.2	1.7	501	2.7	51.5
12	Brazil	23.3	1.6	120	1.5	29.9
13	Canada	19.3	1.3	581	1.2	37.4
14	Spain	19.2	1.3	430	1.2	37.7
15	Australia	18.4	1.3	876	1.9	38.6
Sub-total top 15		1 118	81			
World		1 464	100	217	2.4	44.7

[] = estimated figures.

^aA state's military burden is military spending as a share of Gross Domestic Product (GDP).

The figures are for 2007, the most recent year for which GDP data is available.

^bThe figures for Saudi Arabia include expenditure for public order and safety and could represent slight over-estimates.

Sources: *Military expenditure*: Appendix 5A; *Population*: United Nations Population Fund (UNFPA), *State of World Population 2008: Reaching Common Ground—Culture, Gender and Human Rights* (UNFPA: New York, 2008).¹

¹Military expenditure, Stockholm International Peace Research Institute (SIPRI) Yearbook 2009

It appears that in the larger countries, defence expenditure as a proportion of the GDP is generally lower than in smaller countries. Thus China, India, the US and even Russia have lower defence-GDP spending levels than do Pakistan, Israel, Turkey and Saudi Arabia, although it is difficult to assert that the first group of countries shows a significantly lower level of militarisation than the second group. The bigger countries are not spending less on defence; in real terms, they spend more, but because of the strength of their larger economies, the ratio tends to be lower than in the smaller economies. One might speculate that there is always a 'minimum' level of military infrastructure that all countries must establish, which is reflected in the higher defence-GDP ratio of smaller countries. That said, one cannot deny that a high degree of militarisation is responsible for the astronomically high defence-GDP estimates for Israel (7.3% of the GDP, 2006) and Saudi Arabia (10% of the GDP, 2005).²



AN OVERVIEW OF THE CONFLICT SITUATION IN SOUTH ASIA

The entire South Asian region is scarred by poverty and deprivation on the one hand and, on the other, by conflict and war. Both India and Pakistan have developed nuclear weapons, and despite all talk of nuclear deterrence, this makes the region extremely volatile and dangerous. India is one of the biggest defence spenders in the world. It is important to mention here that both India and Pakistan have dismal rankings on the UNDP's HDI (the United Nations Development Programme's Human Development Index): India being at 128 and Pakistan at 136.³ Clearly, military prowess isn't helping the populace of this region but is, on the contrary, making it more and more insecure; core funds are being directed towards military development, with less and less being used for social welfare.

It is important for us to look into the various conflicts that have, presumably, led to the 'justification' of this heavy militarization of the region. Starting from the Partition of India in 1947, the subcontinent has never been at peace for any significant period. India and Pakistan have fought three wars, including Kargil, and have been in continuous conflict even in times of 'peace'. The core issue

²CIA World Factbook 2008

³Human Development Report 2007/2008, UNDP

has been Kashmir, a fact accepted by both governments. Internally as well, both countries have been conflict-ridden. In Pakistan, the NWFP is virtually a war zone, with militancy and religious extremism at their peak. The government's presence is minimal and it is the pro-Taliban forces that are controlling many tribal areas of the province. Further, Afghanistan politics have always influenced the NWFP, both being Pushtu-dominated regions. That the US is at war in the NWFP is visible through the continuous attacks by unmanned Drone aircraft on 'their' targets in the areas adjoining Afghanistan. Balochistan is a region rich in minerals and gas, but its inhabitants are poor, as most of the wealth produced locally travels outside. The Balochis feel resentful that others are benefiting at their cost. This has led to a nationalistic struggle and to their demand for either greater sovereignty and the right to their own natural resources, or a cessation to conflict.

In India, the major conflict zones are Kashmir and the North East. Citizens of both these zones are demanding a cessation of conflict, and more autonomy. The presence of a huge number of armed forces in both places has further alienated the local population and has fuelled further militancy in these regions. The division between Jammu and Kashmir is total today; Jammu is predominantly Hindu whereas the valley is overwhelmingly Muslim. The recent controversy surrounding the Shri Amarnath Shrine Board has further distanced both communities from each other and has led to a fresh upsurge in the demand for azadi (independence) in the valley. In the North East, however, there is currently a ceasefire; things are relatively calm as negotiations and talks go on between militant groups and the central government.

The government in Afghanistan, backed by the US and its allies, is weak, and its writ limited mainly to Kabul. The Taliban is very active in the country and controls some parts of Afghanistan. Taliban is a brutal terror organization with no economic or social agenda. While its politics, whatever that may mean in such a context, are anti-US, few analysts see Taliban as an anti-imperialist force. For an anti-US programme to be seen as anti-imperialist, it must entail economic policies that are meant to weaken the US neo-con agenda, but Taliban has mere rhetoric in place of any such policies.

The Taliban wants to implement Shariat in toto, but its interpretation of Shariat is considerably different from that of other Islamic scholars. Taliban's philosophy is based on an-eye-for-an-eye and a-tooth-for-a-tooth. When it came to power

in 1996, it had imposed its own brand of Shariat, under which women were completely subjugated, and minorities victimised by blasphemy laws.

Sri Lanka, though a small island country, is driven by one of the biggest and most violent ethnic crises in South Asia. Tamils had been fighting for their rights in this Sinhala-dominated state for several decades; their alienation by the government led to a virtual civil war, which in turn resulted in heavy policing that further alienated the Tamils. From the early '80s onwards, the conflict turned increasingly bloody, leading to an immense increase in expenditure on small arms and a rise in the number of child soldiers; in the process, Sri Lanka also became a big weapons market for both India and Pakistan. In 2009, the state managed to crush the Liberation Tigers of Tamil Eelam (LTTE), and the Tamil insurgents are now on the backfoot. Even then, recently, Parliament approved an additional 20 per cent budget, over above the already allocated \$ 1.74 billion, for defence expenditure

In Bangladesh, the recent overwhelming victory of the Awami League led by Sheikh Hasina in Parliament is significant in many ways. It is a blow to the communal forces of the country and could lead to an improved relationship with India. Yet Bangladesh is still fertile ground for rising religious extremism, and the minority communities are facing the brunt of a right-wing backlash. It is not only Hindus but also Christians and Chakma (Buddhists) who are caught in the crossfire; the Ahmediyyas, a minority Muslim sect, also live under the threat of persecution. Skirmishes along the border are often reported between the Bangladesh Rifles and Indian paramilitary forces.

Meanwhile, the victory of the Maoists in the recent Parliament elections (10 April 2008) in Nepal is important because it points to the triumph of the democratic process and the death of monarchy. Since the '90s, Nepal has seen a significant rise in military expenditure due to its internal crisis: the upsurge of Maoists against the monarchy. Although Nepal does not have any significant border disputes with any of its neighbours, its military expenditure still rose to 1.7% of its GDP because of the monarchy's efforts to crush the democratic and Maoist forces within the country. But it failed to conquer the aspirations of the people of Nepal who were fighting for democracy, as borne out by the results of the recent elections. Currently, Nepal's biggest challenges include re-integrating the Red Army into the mainstream army and establishing the supremacy of the

civilian government over the military. A case in point: his recent confrontation with the President and Army Chief led to the resignation of Prachanda, the Maoist PM. Another challenge before the current Nepalese Parliament is the drafting of a new constitution.

India and China have done their share of intervening in Nepal's domestic affairs. India tacitly supported the emergence of a coalition between the Nepali Congress, the Communist Party of Nepal (Unified Marxist-Leninist) and the ethnic Madheshi parties against the Maoist forces, while China supported the Maoists headed by Prachanda.

It is important to note here that India and Pakistan, being among the larger countries, are major players within the region. They support one faction over another in the other South Asian countries, besides regularly supplying arms and ammunition to them, thus further fuelling various internal crises. Countries like Sri Lanka and Nepal are dependent on their bigger neighbours, especially for the supply of small arms. This works in the suppliers' favour politically as well as monetarily. Nepal's King Gyanendra was desperate to buy arms from India, but due to pressure from its Left parties, who objected on the grounds that the weapons would be used against the Nepalese people, India was compelled to decline. Nepal then obtained the weapons from China. India is currently not supplying arms to Sri Lanka, but Pakistan is a major supplier.



MILITARY SPENDING IN SOUTH ASIA

Defence spending in South Asian countries, like in most other countries, is governed substantively by threat perceptions. Some may argue that the interests of the ruling elite also influence this, especially where the military maintains a hold on a significant proportion of the national power structure. The defence spending of South Asian countries in 2008 was USD 30.9 billion, at constant 2005 prices and exchange rates (SIPRI Yearbook 2009), which is a little more than double over the last 20 years. The major spenders have been five South Asian countries – India, Pakistan, Sri Lanka, Bangladesh and Afghanistan. The proportion in terms of GDP might appear to be quite small, especially when viewed from the perspective of conventional wisdom (and Western articulation), according to which South Asia constitutes a 'hot spot'

of rivalries and conflict, and is even poised for a nuclear war! But this does not invalidate the need to further reduce levels of defence expenditure, since the region also contains great poverty and underdevelopment. What is needed is to reduce to its barest minimum the amount of national resources devoted to sustain military power.

Military Expenditure in South Asia, 1988-2007

Figures are in USD billion, at constant 2005 prices and exchange rates.
Figures do not always add up to totals because of the convention of rounding.

Region ^a	South Asia
1988	15.0
1989	15.7
1990	15.8
1991	15.3
1992	15.1
1993	16.6
1994	16.7
1995	17.5
1996	17.6
1997	18.8
1998	19.6
1999	21.9
2000	22.8
2001	23.5
2002	23.6
2003	24.2
2004	25.0
2005	28.2
2006	29.7
2007	30.7

Sources: Appendix 5A, Tables 5A.1 & 5A.3, SIPRI (Stockholm International Peace Research Institute) Yearbook 2008; SIPRI Military Expenditure Database

In terms of military expenditure as percentage of GDP, Pakistan spends the most. The figures are: 3.2% in the case of Pakistan; 2.9% in the case of Sri Lanka; 2.7% in the case of India; 1.7% in the case of Nepal; 1.5% in the case of Afghanistan; 1% in the case of Bangladesh (SIPRI data on military expenditures, 2007).

This heavy militarisation in India, Pakistan and Sri Lanka has put the lives of ordinary people at far greater risk than ever before. To add to this, the nuclearisation of India and Pakistan has placed the entire region of South Asia on the brink of a nuclear catastrophe.

India and Pakistan are two of the largest spenders on defence in the world. Historically, the two countries have been at loggerheads, with intermittent dialogue and an oft-scuttled peace process. The meeting between AB Vajpayee, then Indian Prime Minister, and General Pervez Musharraf, then President of Pakistan, on 6 January 2004 seemed to herald a major breakthrough in the cause of peace, but after the terror attack on Mumbai on 26 November 2008 there was a complete halt in peace talks, although efforts are being made at the civil society level for their resumption. On the sidelines of the Non Aligned Movement (NAM) Summit in Sharm-el-Sheikh, Egypt, on 16 July 2009, a Joint Statement was signed by Prime Ministers Manmohan Singh of India and Yousef Reza Geelani of Pakistan, the crux of which was that there is no alternative to dialogue and that a level of engagement between the two countries should be maintained at the Foreign Secretary level.

A major fallout of the November 2008 attack has been a predictable increase in the military expenditure of both countries. In India, the United Progressive Alliance (UPA) Government in its 2009-2010 budget has increased defence expenditure by 34%, with the provision for defence increased to Rs 1,41,703 crores as compared to Rs 1,06,500 crores in the 2008-2009 budget. Pakistan's current defence budget is Pakistani Rs 343 billion, which is up 17% from the previous year's Rs 296 billion – although the actual expenditure was closer to Rs 312 billion. Comparative figures are revealing: in the current year, Pakistan allocated Pakistani Rs 6.5 billion for health and Pakistani Rs 31.6 billion for education. The current phase of military expansion is, in part, linked to the decision by both countries to become nuclear powers. It is also a continuation of the trend established in the 1990s when India embarked on its weapons technology modernisation

Military Expenditure in Pakistan

In local currency (Rs in billions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	47	51	59	70	82	90	98	112	124	132	140	147	154	170	188	207	232	263	287	[307]
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	2,896	2,894	3,054	3,270	3,472	3,467	3,379	3,434	3,430	3,285	3,281	3,311	3,320	3,553	3,819	4,077	4,248	4,412	4,465	[4,517]
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	6.2	6	5.8	5.8	6.1	5.7	5.3	5.3	5.1	4.9	4.8	3.9	3.7	3.9	3.9	3.7	3.5	3.4	3.2	

Military Expenditure in Sri Lanka

In local currency (Rs in billions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	4.7	4.1	7	10	13	15	19	35	38	37	42	40	57	54	49	47	56	61	81	105
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	257	198	270	368	412	442	513	863	807	716	751	676	904	755	625	562	626	612	713	804
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	2.1	1.6	2.1	2.8	3	3.1	3.4	5.3	5	4.2	4.1	3.6	4.5	3.9	3.1	2.7	2.8	2.6	2.9	

Notes:

1. The figures for Sri Lanka for 2000 do not fully reflect a special allocation of Rs 28 billion made for war-related expenditure.
2. The figures for these countries are for current spending only (they exclude capital spending).
3. The figures for these countries do not include military pensions.

Military Expenditure in India

In local currency (Rs in billions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	152	172	184	196	210	252	279	316	351	416	492	598	642	689	717	761	812	982	1,102	1,193
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	11,440	12,219	12,036	11,238	10,740	12,131	12,185	12,550	12,778	14,144	14,757	17,150	17,697	18,313	18,256	18,664	19,204	22,273	23,615	24,249
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	2.1	1.6	2.1	2.8	3	3.1	3.4	5.3	5	4.2	4.1	3.6	4.5	3.9	3.1	2.7	2.8	2.6	2.9	

Notes:

- The figures for India include expenditure on the paramilitary forces of the Border Security Force, the Central Reserve Police Force, the Assam Rifles and the Indo-Tibetan Border Police but do not include spending on military nuclear establishments.

programme and Pakistan, in response, tried to keep pace with its neighbour. Both agendas have imposed huge financial and opportunity costs on the two economies. With India and Pakistan deciding to continue on the nuclear path, the cost of nuclear weaponisation is only going to increase in the years ahead. In short, militarisation in the two South Asian neighbours, which has always been at the cost of their development efforts, will continue to rise. In Sri Lanka, too, heavy weaponisation is causing the social sectors to be neglected and is placing enormous pressure on the country's economy.



THE INDIAN CASE

An attempt has been made here to estimate the extent of defence expenditure for India in recent years. Indian official estimates of defence spending, as reported in the budget, cover current and capital expenditure in all three armed forces, and also research and development. They do not cover (i) pensions, (ii) paramilitary expenditure (iii) defence-related atomic energy outlays and (iv) defence-related space outlays. SIPRI data includes the first and second items.

In this document, a broad analysis of India's defence expenditure has been done. The expenditure for the current financial year is Rs 1,41,703 crores. Paramilitary expenditure, as reported by the Home Ministry, is not included in this budget. This does not apply only to India; the figures for defence expenditure vis-à-vis GDP for most countries often fail to include such components and are thus misleading. It is assumed that 25 percent of all outlays on space and atomic energy (other than for nuclear power generation) have a defence orientation. This is a reasonable assumption, given that much of India's ongoing nuclear programme will be based on work done at its nuclear and space research establishments.



A REAL BURDEN

Analysts mostly focus on defence expenditure as reflected in the spending-to-GDP ratio. This, however, is not the best measure by which to assess the burden of the defence sector on the economy. Since military expenditure is incurred entirely by the government, and as governments in developing countries also have to play important roles in the social sector and in infrastructure-building,

what matters ultimately is the demand the defence sector places on the government's resources.

Military spending also has an impact on the private and non-government sectors. However, the first visible impact is on government, specifically central government spending. Here the data are revealing. First, the size of military expenditure at the central/ federal government level is huge. According to comparable World Bank data, military spending as a percentage of total central government expenditure was 14 percent in India in 2001. In India, defence is the second largest item in central/ federal government spending. Indeed, if one were to exclude interest payments, then defence (capital and revenue) would constitute the largest item of expenditure. Such a high proportion of government resources being consumed by the military sector does inevitably have an impact on government outlays in the social sector. In the current budget, the allocations on health and education increased only marginally, to 2.4% 2% of the GDP, respectively.



DEFENCE EXPENDITURE VERSUS SOCIAL SECTOR EXPENDITURE

Let us define developmental expenditure. When poverty alleviation is a priority, it would be relevant to include any expenditure that improves a country's Human Development Index (HDI) rating as defined by the UNDP as expenditure on development. The three major components of the HDI are life expectancy, literacy and income, each of which is measured by several parameters. All of the following may validly be included: health and family welfare; education; rural and urban development; housing; water supply; sanitation; agriculture; social justice. Though subsidies may be counterproductive economically, these too have been included as they benefit lower income groups. What is not included is industry, power, roads, railways and other infrastructure like telecommunications which, while developmental in nature, also generate revenue for the state.

Money allocated for defence is a diversion of scarce resources from other sectors; for countries like India that still belong to the group of low-income countries, this is a diversion they can scarcely afford.

The most powerful critique of expansionary military spending made in recent times is the one offered in 2002 by economists Jean Dreze and Amartya

Sen. Their critique of Indian policy since the late 1990s covers India's nuclear weapons policy as well. Their argument is that there are many 'social costs of militarism' of the kind pursued by India. One, rising military expenditure imposes substantial opportunity costs on government priorities like health care and primary education, even if every rupee saved in defence does not lead to a corresponding hike in social sector spending. Two, nuclear weaponisation (the financial costs are discussed below) leads to increased insecurity in South Asia. Three, nuclear weaponisation will lead to an arms escalation in South Asia, which will end up in a further diversion of scarce resources to the defence sector. Four, there is not merely a diversion of economic resources when countries like India embark on an arms race; there are also the demands made on 'the time and energy' of political leaders, government officials and the public at large. Fifth, military expansionism leads to a diversion of scientific and technological resources to the defence sector: India's research and development expenditure in the defence, space and nuclear fields constitutes over 60 percent of the government's total research outlay.

In the case of India, recent increases in military expenditure are bound to affect prospects for the much-needed expansion of public expenditure on health, education, social security and related matters. Indeed, given that the bulk of money is pre-committed in the form of public sector salaries and interest payments, mobilising additional resources for the social sectors is a major challenge. Restraining military expenditure is among the few available options (others include ending wasteful subsidies and expanding the tax base), and in that sense the trade-off between military and social expenditure is quite sharp.



NUCLEAR WEAPONS RACE IN SOUTH ASIA

The nuclear race in South Asia dates back to 1974, when the then Prime Minister of India, Indira Gandhi, conducted a nuclear test in Pokhran, Rajasthan, and called it the Peaceful Nuclear Explosion (PNE). In response, the then Prime Minister of Pakistan ZA Bhutto said, "If India builds the bomb we will eat grass or leaves, we will go hungry. But we will get one of our own." And that was the beginning of the race for nuclear weapons in the subcontinent.

The second nuclear tests took place on 11 and 13 May 1998, again in Pokhran, and were soon followed by the Pakistan tests in Chagai on 28 and 30 May

1998. India had conducted five tests and Pakistan, in response, carried out six. This attitude of one-upmanship reflects the deadly race between these two 'enemy' countries. It is important to note here that these tests were not conducted in isolation but were the result of years of preparation, and of the conflict simmering in the subcontinent.

Despite the fact that India and Pakistan have not been recognized by the international community as nuclear weapon states, they are in truth heavily nuclearised. It is important to note that both are non-signatories of the Comprehensive Test Ban Treaty (CTBT) and Non Proliferation Treaty (NPT).

The financial burden of this nuclear race is being borne by the economies of the two countries. Pressure on budgets over a period of time has increased and will continue to do so till the process is reversed. This is over and above the expenditure on conventional weapons. The conflict and 'enmity' between India and Pakistan and the resultant insecurity in the people of both nations supports this kind of expenditure on conventional as well as nuclear or non-conventional weapons, giving it legitimacy in the people's minds.

A very conservative estimate of the cost of an Indian nuclear weapons programme is Rs 70,000-80,000 crores a year, which equals an incremental cost of 0.5% of India's GDP every year. In order to have a clearer picture of the implications of such a programme, we should understand the following:

- "India's defence expenditure in 1998-99 was Rs. 39,900 crores, which was equivalent to 2.23% of GDP. If India had begun a 10-year programme in 1998-99 to complete development of its nuclear arsenal then this would have raised this outlay by about 20%.
- What the government would have to spend annually on weaponisation is equivalent to its yearly total budget for education (Rs. 7,046 crores) – school and university, technical and medical education, teaching and research.
- An Indian nuclear weaponisation programme that would cost 0.5% of GDP a year is equivalent to the annual cost of introducing universal elementary education in India. The question then is of choosing between sending every Indian child to school and acquiring nuclear weapons."⁴

⁴C. Rammanohar Reddy, 'Indo-Pak Defense Spending', South Asian Journal, Issue 3, Wednesday 14 April 2004.



IMPACT OF MILITARIZATION ON PEOPLE

The worst sufferers of increasing militarization are the people in general and particularly women and children. We can divide the impact into two categories: the impact on the economy and social sectors, which has been dealt with in the previous sections; how it generates a culture of violence in society.

Militarism has an impact on women, children, religious minorities and marginalized sections of society, and fuels sectoral and ethnic violence. "Militarism reinforces patriarchy, accentuates gender stereotypes and confines women to traditional roles."⁵ It also leads to increased violence against women and links this social violence to state violence. Fundamentalist forces operate within this framework and gain strength against such a background. Both militarism and fundamentalism thrive on each other's 'success' and reinforce patriarchy and masculinity, which are oppressive of women.

This mix of factors gives rise to a nationalistic, xenophobic 'sentiment' which in a way leads to people's demand for more arms and weapons for the state and also for themselves, as is visible in the states of Jammu and Kashmir, the North East etc. to The result is an increase in community violence and conflict, personal insecurity and domestic violence; situations in which the culture of violence has become all-pervasive. Sri Lanka and the NWFP are classic examples of the impact on children. In Sri Lanka we have seen the rise in the number of 'child soldiers' not only in the LTTE but also in the state forces. In the NWFP's Swat region the illiteracy rate, especially among girls above 10 years of age, is on the rise because of growing insecurity and the constant fear of violence.

This atmosphere of militarism has also created and increased insecurities and distrust between nations and their people. For instance, the recent commissioning of the nuclear submarine INS Arihant in Vishakhapatnam by India caused the other South Asian countries to feel more concerned about their own security than ever.

⁵Anu Chenoy, India: National Security, Multiple Insurgencies, Inter-State Relations and Societal Militarisation, Asian Exchange Vol 20, No 2, 2004; Vol 21, No 1, 2005

In regions where there is continuous cross-firing and that have seen low-intensity conflicts, the economy and livelihoods of the local people have been greatly affected. Women, again, are the worst sufferers, whether we speak of the decline in expenditure by the state on social sectors, or the presence of conflict and increasing militarism, or the simple fear of violence.

To conclude, we need to reinforce the fact that increasing militarisation leads to alienation and despair amongst ordinary people and gives rise to a feeling of helplessness.



CONCLUSION

Since the late 1990s, India's military expenditure has been on a constant rise. The development that had the most profound impact on military spending, leading to an arms race and increased insecurity, was India's decision to go nuclear. This has given a new dimension to militarisation in the region. The nuclear arms race has added to the burden of costs, while contributing significantly to insecurity in the region. All this has had and will continue to have major economic and social costs.

Military spending, including spending on nuclear weapons, cannot buy a country peace and security. Those can come only with constructive diplomacy and better internal and international relations. India continues to suffer from fiscal stress. This means there is only a small pool of financial resources available for investment. And in spite of the recent acceleration in growth, India remains home to the largest population in the world that lives below the poverty line and has the largest non-literate population, all against the backdrop of very high levels of morbidity.

Dr Arjun K Sengupta's (Chairman, National Commission for Enterprises in the Unorganised Sector, Government of India) report, Conditions of Work and Promotion of Livelihoods in the Unorganised Sector (August 2007), indicated that in 2004-05, 77 percent of India's population, or 836 million people, survived on a per capita daily consumption of up to Rs 20. This sad situation requires strong intervention but the government is constrained by the demands of militarisation. Nu clearisation is now adding further to

military costs, which means that public services, already in disarray, will continue to deteriorate further for want of financial resources.

The kind of spending on defence that is now being incurred also comes with social costs. Militarisation empowers certain political and economic groups, which have a stake only in making themselves more powerful. Such groups have no interest in broad-based social and economic development. Nuclear weaponisation will dramatically increase the amount of resources diverted from social sectors to the defense sector; this will continue to affect the poor, who rely the most on public services. In addition, India's expanding of its nuclear arsenal will lead to increased insecurity in South Asia by engaging India and Pakistan in a dangerous race of nuclear proliferation.

Even if we accept the argument that India's economic growth since the 1990s indicates that militarisation does not affect the economy, a counter-view is that this growth could have been even higher. That the 8 percent growth India now records is insufficient is evident from the continued high levels of under-nutrition, under-employment and low incomes experienced by the majority of the Indian population. The global economic meltdown has affected South Asia as well, and with it India. The economic growth rate has fallen and there is a major food crisis, which increases the burden on the economy. Is it fair to increase the defence budget by 34% this year, when we have other developmental needs to look after?

The current levels of military spending in India – slated to grow with nuclearisation – are going to continue to hold back development in one of the poorest regions in the world. Militarisation is an important factor, not the only one but an important reason nevertheless, for the country's low levels of human development. This is not going to change dramatically as long as India persists with its present policy of building a nuclear arsenal and placing a high priority on expanding its military infrastructure.

APPENDIX

Military Expenditure in Nepal

In local currency (Rs in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	834	988	1,114	1,320	1,607	1,801	1,939	2,064	2,242	2,417	2,789	3,239	3,648	4,837	6,621	7,951	9,756	11,153	[11,004]	[10,604]
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	39.9	43.5	45.3	46.4	48.3	50.3	50.3	49.4	49.2	52.1	52.9	57.1	62.8	81.1	108	122	146	156	[143]	[132]
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	0.9	1	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9	1.1	1.5	1.6	1.8	1.9	[1.7]	

Notes:

1. In the financial year 1998-99, Nepal's additional expenditure on paramilitary forces was Rs 3315 million.
2. Figures for these countries do not include spending on paramilitary forces.

Military Expenditure in Afghanistan

In local currency (Afghani in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5,440	5,521	6,223	10,255
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	123	111	119	181
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1.9	1.5	1.5	1.5

Notes:

1. The figures for Afghanistan are for core budget expenditure on the Afghan National Army. If spending from the external budget, paid for directly by military aid, were included, then the total military spending would be more than six times higher.

Military Expenditure in Bangladesh

In local currency (Taka in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	9,104	10,663	11,143	12,071	14,396	16,105	19,021	21,582	23,076	25,863	28,436	31,277	33,377	34,020	34,105	36,150	39,630	43,005	46,950	..
At 2005 constant (USD in millions)																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	347	379	377	384	442	480	538	554	578	615	624	647	675	675	655	657	659	669	684	..
As percentage of GDP																				
Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Value	1	1.1	1	1	1.1	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1	1	1

Focus on the Global South is a policy research organisation based in Asia (Thailand, Philippines and India). focus provides support to social movements and communities in India and the Global South by providing research and analysis on the political economy of globalisation and on the key institutions underlying this process. Focus' goals are the dismantling of oppressive economic and political structures and institutions, the creation of liberating structures and institutions, demilitarization, and the promotion of peace.

The potential escalation in the military expenditures worldwide and especially in South Asia has been drawing global attention for a long time. The Focus team has been working on a campaign for reduction in the defence expenditures; this paper is a part of our ongoing campaign and to further strengthen efforts being made for a peaceful world. Weapons are not needed to protect any society and thus the justifications given by the governments, fall flat. It is important for us to understand that to resolve various kinds of conflicts; the key is dialogue, negotiations and confidence building measures. We through this paper, urge the governments to reduce the expenditure on defence and work towards peace.

Militarism is a scourge, which arises out of conflict and leads to further conflict. It destroys the well being of a society and takes away from social spending. Only an end to militarism will lay down the norms of a peaceful and just society. Although, our ultimate goal is total abolition of weapons but here in our paper we talk about reduction in defence budgets, which is a step leading us to this goal.

This paper will be useful for activists', researchers and common people to build an understanding on the politics of increasing weaponisation, conflicts in South Asia and the money spent each year on defence vis-à-vis social sectors. It will also help mobilize people to join hands in the campaign against militarisation.