

## Defence Production: **Assembly Lines for Foreign Companies**

Defence production, reserved for the public sector, was opened up for the the entry of foreign investment under the “Make in India” programme, announced by the Prime Minister Modi with much fan fare. A closer look into the guidelines to the defence procure-ment reveals not only that there will not be any production in India, but also put the national sovereignty and security, the two mantras chanted by the ruling classes daily, into peril.

The previous Congress government granted “Raksha Udyog Ratna” status to 12 private sector companies for preferential treatment in defence procurement. The BJP government continued this policy and selected Strategic Private Partners (SPP) for four segments – submarines, fighter jets, helicopters and armored vehicles and tanks. Some of the selected companies are Bharat Forge, Larson & Toubro, Tata Advanced Systems Ltd. (TASL), Mahindras, Reliance defence and Gautam Adani group. Most of these companies have nil or very marginal in-house expertise in defence production.

The Defence Public Sector Units (DPSU) are barred from bidding for fighter jets and helicopters. If they will be allowed in two other segments remains to be seen. The ordinance factories have asked to exit from the production of 87 items including 39 weapon related items. The 5 DPSUs, 50 labs of Defence Research and Development Organisation (DRDO), 41 ordinance factories and 4 shipyards are to be made idle or are to be turn into suppliers to private companies both Indian and foreign or are to be privatized.

Already TASL entered into collaboration with US based Lockheed Martin to make airframe components for C-130J airlifters and S-92 helicopters. Reliance Defence of Anil Ambani group has understanding with Rafale of France which intends to supply fighter aircraft to Indian Air Force (IAF). It had signed a deal for repair and maintenance of naval ships of Seventh Fleet of US imperialism in Indian Ocean under the Logistic Exchange Memorandum of Agreement signed by the US and India. Latest in June 2017, Lockheed Martin and TASL signed an agreement to manufacture F-16 Block 760 fighter aircraft in India to meet the IAFs single engine jet requirement. Other contender for this is Gripen of SAAB.

The policy of selection of SPPs finalized by the union cabinet is heavily favourable to the foreign Original Equipment Manufacturers (OEM). The selected Indian SPPs will tie up with foreign OEMs selected for each sector from among the competing foreign companies. The Indian SPPs will be selected on the basis of their turnover of Rs. 4000 crore and capital assets of Rs.2000 crore and the ‘ability’ to absorb technology from foreign partner. Given the little in-house expertise, and availability of cheap land and loans and assured government orders, the Indian SPPs will agree to the terms set by the foreign OEMs, which are well known for their stubborn clinging to the technology. This inevitably reduces the Indian SPPs to the status assembling plants.

The policy of SPPs and joint ventures has no regulatory mechanism. Already the Indian military sector is shrouded in secrecy in the name of national security reasons. Even the basic information on Indian military is used to kept as closely guarded secret in India while the latest military developments of India are freely available to journalists in New York and London. The activities of SPPs, joint ventures and OEMs will be left unregulated without scrutiny even the Indian Parliament. Given the notorious role played by the foreign armament companies to sell their military hardware and the submissiveness of Indian political leadership to the maneuvers by these companies, as was amply proved in the case of Bofors guns, there is no doubt that these companies will influence the decisions of the government on type of armament, their size and value in their favour.

India depends upon for more than 80 per cent of its defence requirements on imports from the imperialist countries. The new policy will further deepen this dependence. While the foreign companies will benefit from the large orders from the Indian government, the Indian companies willingly oblige to act as disguise for this exploitation.

The ever increasing military expenditure is the result of arms race in the Indian subcontinent, which is the being fueled by the imperialist machinations by flaring up tensions and drumming up security threats with our neighbouring countries both Pakistan and China. This ensured an assured market for the military industry of imperialist countries.

The real security and defence of India will be left to the mercy of foreign companies and its fighting capabilities to the whims of imperialist countries, particularly US imperialism.

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