

Atmanirbhar Bharat in Defence: Historical Context and Contemporary Implications for India's Strategic Autonomy

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ABSTRACT

This paper provides a comprehensive analysis of the historical aspect and current scenario of the Indian defence sector. The analysis underscores the potential opportunities that the "Make in India" initiative presents, including the development of indigenous manufacturing capabilities, the promotion of public-private partnerships, and the engagement of small and medium enterprises (SMEs) in defence production. The paper outlines the structure of the Indian defence industry, which includes Defence Public Sector Undertakings (DPSUs), Ordnance Factories (OFs), and private sector players, alongside academic institutions like DRDO that contribute to research and development. The paper emphasizes the need for a strategic vision that prioritizes domestic demand while simultaneously positioning India as a competitive player in the global defence market. By fostering an environment that encourages innovation, investment and collaboration the "Make in India" campaign can effectively transform the Indian defence sector, ultimately contributing to national security and economic prosperity.

Keywords: *Atmanirbhar Bharat, Defence Procurement, Indigenous Manufacturing, Make in India, Self-reliance*

The "Make in India" campaign launched by the Government of India, represents a transformative initiative aimed at repositioning the country as a global manufacturing hub and a favourable business destination. This ambitious program is particularly focused on the defence sector, where India currently holds the dubious distinction of being the world's largest arms importer. The Indian government is determined to establish a robust and advanced defence industry that not only enhances self-reliance in defence production but also fosters economic growth and technological innovation. In this modern world of 21st century, nations provide protection to their people while ensuring their success, strength and sovereignty and defence establishment is such a segment which ensure this. Along with providing protection to its citizens, the defence sector also defines the regional and global sphere of influence of any country. A strong defence shows the domination of the country on the world stage. If defence sector is solely dependent on imports, no country can dream of becoming a world leader. Being self-sufficient in defence to be the most important thing for any country to compete at the international level. Defence establishments of our country is a major spending sector of Indian economy where total Defence Budget for 2024-25 (Ministry

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Received: November 17, 2024; Revision Received: November 24, 2024; Accepted: November 28, 2024

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of Defence) has been allocated Rs 621,940.85 crores, marking a 4.78% increase from the budget estimates of Rs 593,537 crores for 2023-24. This increase is essential for the effective modernization of the armed forces, as suggested by the parliamentary Standing Committee on Defence (SCOD), which has recommended that the defence budget should be at least 3% of the GDP. This is the highest spending in comparison to any sector. But as we have said, self-reliance is very important in defence and India has still not become fully self-reliant in this. As an independent nation, India has also fought wars with Pakistan and China. In recent times, border skirmishes with India's neighbours are constantly increasing whether it is the India-China standoff in Aksai Chin or the India-Pakistan standoff in 2019. Apart from these, the threat of Naxalites, Maoists and many such internal threats is also increasing. Which showed the importance of a strong defence force to India. This paper aim to analyse the historical context of India's defence industrial base and its evolution since independence and explore the potential benefits of public private partnerships in defence production and technology transfer.

REVIEW OF LITERATURE

Lieutenant General (Dr.) VK Saxena in his paper "**Atmanirbharta in Defence: How has been the Journey So Far? Where are we Headed**" offers a critical analysis of India's progress towards self-reliance in the defence sector through initiatives like Make in India and Atmanirbhar Bharat. It highlights the historical challenges faced in defence manufacturing and procurement, while emphasizing recent policy frameworks such as the Defence Production and Export Promotion Policy (DPEPP) 2020 and the Defence Acquisition Procedure (DAP) 2020. The document underscores the importance of indigenization, investment in infrastructure, and fostering innovation to enhance domestic capabilities. Despite notable advancements, the paper identifies significant gaps between aspirations and outcomes, calling for sustained efforts in policy implementation and collaboration between public and private sectors to achieve India's defence manufacturing goals. Overall, it presents a balanced view of the achievements and challenges in the journey towards a self-reliant defence ecosystem.

Iskander Rehman in his paper "**The Military Dimensions of India's Rise**" discuss about the India's military rise which is characterized by significant resource accumulation and modernization efforts, positioning it as a formidable military power. With a substantial defence budget that has tripled over the past decade, India boasts a large volunteer force and is actively enhancing its capabilities across the Army, Navy, and Air Force. However, the military modernization process is uneven, often driven by prestige rather than strategic coherence, leading to critical shortfalls in equipment and personnel. The lack of a comprehensive national strategy and bureaucratic inefficiencies further complicate India's aspirations to transition from a regional to a global military power. To realize its potential, India must reform its defence acquisition processes and improve civil-military relations, ensuring that its military resources are effectively translated into operational capabilities and strategic outcomes.

Ajay Singh in his research paper "**Self-Reliance in Indian Defence**" provides a comprehensive analysis of India's efforts to achieve self-reliance in its defence sector, particularly in the context of its historical de-industrialization and the need for a robust technological base. Singh argues that while India has made strides in developing indigenous capabilities, significant challenges remain, including bureaucratic inefficiencies and a lack of innovative activities at the factory level. The paper advocates for restructuring the defence

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production ecosystem, emphasizing the importance of integrating research and development with production to meet the armed forces' requirements effectively. Overall, it presents a critical examination of the current state of India's defence industry and offers insights into potential pathways for enhancing self-reliance and efficiency.

Deba R. Mohanty has written in his paper "**Changing Times? India's Defence Industry in the 21st Century**" about a thorough analysis of the evolution and current state of India's defence industry, particularly focusing on the significant policy changes since the early 1990s. It examines the quest for self-reliance in defence production, the impact of privatization, and the need for institutional reforms in response to emerging security challenges. The study utilizes a mix of primary and secondary sources, including government reports and expert interviews, to assess past performances and future prospects. Overall, the paper highlights the complexities of India's defence policies and the critical need for strategic planning to enhance the country's defence capabilities in a rapidly changing global landscape.

Sushil Chander in his paper "**Make in India in Defence: A Reality Check**" provides a comprehensive analysis of India's defence manufacturing landscape, emphasizing the critical need for self-reliance and indigenous production capabilities. It highlights the government's initiatives to foster international cooperation, particularly with countries like Russia, and discusses the challenges faced in decision-making processes that hinder timely advancements in defence projects. The document advocates for a streamlined procurement process and a target-oriented approach to galvanize domestic industry participation. Overall, it underscores the importance of a robust defence manufacturing strategy to enhance national security and reduce dependency on foreign military imports, aligning with the broader "Make in India" initiative.

Priyanka Patel, Sameer Patil and Arun Vishwanathan in their paper "**India's Quest for Defence Indigenisation: A Case Study of the Indian Navy**" highlighted a comprehensive analysis of India's efforts to achieve self-reliance in defence, particularly focusing on the Indian Navy. It highlights the limited successes in the indigenous development of defence platforms and weapon systems, despite sustained attempts over the years. The authors discuss various committees and policy recommendations aimed at enhancing domestic industry participation in defence manufacturing, such as the Dhirendra Singh committee's emphasis on Strategic Partnerships. The study underscores the importance of synergistic collaboration among stakeholders, including the Defence Research and Development Organisation (DRDO), public sector undertakings (DPSUs), and private industry, which has led to relatively greater success in naval indigenisation compared to other military branches. Overall, the paper presents a critical evaluation of the challenges and progress in India's defence indigenisation journey, offering insights into the strategic planning necessary for future advancements.

Bikramdeep Singh in his paper "**Defence indigenisation: Made in India, by India, for India**" critically examines the challenges and opportunities within the country's defence procurement and production landscape. It highlights the need for a significant increase in indigenous content in defence projects, which has been set at unrealistic levels, potentially discouraging Indian companies from competing globally. The document discusses the historical context of indigenisation efforts, referencing past committees and recommendations, while emphasizing the importance of fostering collaboration between the

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public and private sectors. It calls for a structured National Indigenisation Plan to monitor progress and ensure that India can achieve self-reliance in defence capabilities, ultimately aiming to enhance.

Historical context of defence establishments

Self-reliance is not a new concept. The country's first Prime Minister Pandit Jawaharlal Nehru had strong belief in self-reliance. He constantly motivated and educated people for the upliftment of the country, which should have been based on scientific and technological advancements. According to Pandit Nehru, scientific temper was going to write India's future. By the end of British rule, about 12 ordnance factories had been developed in India. But the Britishers never paid attention on making these factories self-reliant. The same situation continued even after Independence where there were industries but no technological advancement. India steadily started expanding its defence industrial base to achieve the goal of self-reliance right after independence. During the 1950s, India started producing equipment indigenously with very little technical know-how. But advanced equipment was still imported. In 1956, the Industrial Policy Resolution limits the arms and ammunition industry to the public sector only, that is no private company could produce them. After this, the Ordnance Factories set up by the British became the core industries of India's defence sector in 1958 and in the same year DRDO i.e. Defence Research and Development Organization was formed which was a significant step towards developing indigenous defence technologies. Defence industry got its first push after the Indo-China war of 1962. In this, India had to face the sovereignty crisis. This crisis forced the Indian government to increase its defence expenditure. After this, the defence expenditure was increased from 1.5% of GDP to 2.3%. After that, in the Indo-Pak war of 1965, when the USA refused to export arms, India strengthened defence ties with the Soviet Union. In just next 15 years, the major share of India's defence equipment started being supplied from the Soviet Union. India got advanced weaponry and manufacturing of equipment was also started. This manufacturing was license based and did not involve Indian technology, only foreign technology was being produced here. The biggest example of this was the Mig-21 fighter aircraft which was manufactured by Hindustan Aeronautics Limited in Bangalore. Due to this arrangement, research development and production in Indian industries almost stopped. After this, in the 1980s, new efforts were made once again to promote the domestic defence industry. Huge investments were made in DRDO and indigenous missile systems like Prithvi Akash and Nag were developed. During this period, India started the development of its flagship aeronautical project, the Light Combat Aircraft. Then came 1998, the year when India signed an agreement with Russia to develop a supersonic cruise missile system called Brahmos. This was a joint venture between Russia and India. Another important development happened in the 1990s when the era of liberalization began in India and many progressive economic reforms were brought in. The effect of this liberalization was going to increase in the defence sector as well. After the reforms, at the beginning of the 21st century, India had now left behind state-run enterprises and centrally planned economy and from here, for the first time in the history of India, the way was cleared for the entry of private sector in the defence industry. The private sector was given full access to the defence industry. The Make category was introduced for the first time in the Defence Procurement Policy of 2006. In this category, the focus was to be on indigenous research, design, development and production. In this policy, the government promised to bear up to 80% of the production cost. Even 26% FDI was allowed in the defence sector. But the government was still dependent on imports for advanced weaponry, such as Sukhoi-30 MKI was inducted into the Air Force, submarines and missile destroyers were purchased for the Navy

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and howitzers & long-range guns were purchased for the Army. After that, the next important policy was the Defence Procurement Policy of 2013. In this policy, an attempt was made to boost domestic procurement. In this policy, indigenous defence equipment was declared the preferred choice. Since then, India has been continuously moving towards self-reliance. India is among the few countries that developed its own intercontinental ballistic missile, aircraft carrier and nuclear submarine. But with this, India did not stop taking support from technology advanced nations.

The next defence policy came in 2016 (Defence Procurement Policy 2016), till 2014, there was a lack of both focus and funding on research and development in the public sector. With this, there was no special involvement of FDI or private sector. But after 2014, a big change was seen in defence. Under this policy, some important policy measures were taken such as procurement efficiency was increased, focus was laid on ease of doing business, which would have made the entry of private sector easier. There was talk of giving big incentives to the private sector, along with this, attention was also paid to transparency, the licensing process was made easier, which was the biggest reason for stopping private players. FDI has also been increased from 26% to 49% in this policy though automatic route. Over 49% FDI have also been approved though the Government Approval Route. Make in India was also promoted in the Defence Procurement Policy 2016. A Buy (Indian-IDD) procurement category was introduced in this policy. IDD means Indigenously Designed Developed and Manufactured. This category was given top priority.

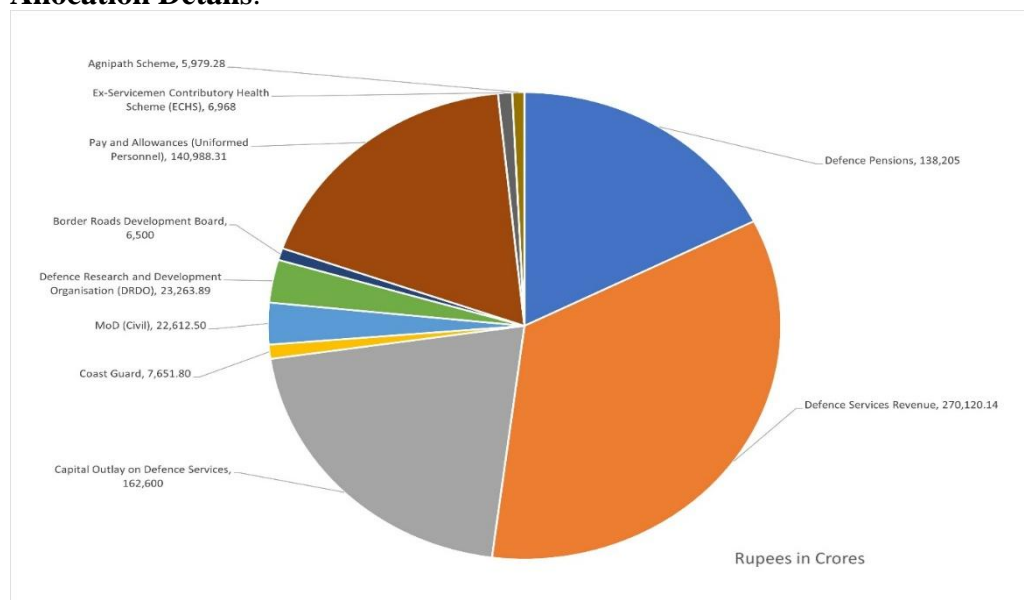
Current scenario

Defence Budget Overview

Total Defence Budget for 2024-25 MoD (Ministry of Defence) has been allocated Rs 6,21,940.85 crores, marking a 4.78% increase from the budget estimates of Rs 5,93,537 crores for 2023-24. This increase is essential for the effective modernization of the armed forces, as suggested by the parliamentary Standing Committee on Defence (SCOD), which has recommended that the defence budget should be at least 3% of the GDP.

Budget Breakdown

Allocation Details:



Source: Union Budget, Ministry of Finance, Government of India.

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iDEX (Innovation for Defence Excellence) initiative launched in April 2018, the iDEX initiative has been instrumental in fostering innovation in the defence sector. As of June 2024, the MoD signed its 350th contract with a defence start-up, showcasing the initiative's success in promoting defence-related innovations.

The Acing Development of Innovative Technologies with iDEX (ADITI) scheme has been allocated Rs 750 crores until 2026. This initiative aims to provide financial support to start-ups, Medium, Small and Micro Enterprises (MSMEs), and individual innovators under the Defence Innovation Organisation (DIO) framework. While Rs 105,518.43 crore has been earmarked for procurement through domestic industries, Rs 92,088 crores has been allocated for purposes of operational readiness.

The Indian defence sector is characterized by a mix of public and private enterprises, with the public sector dominated by organizations like Hindustan Aeronautics Limited (HAL), Bharat Electronics Limited (BEL), and the Ordnance Factory Board (OFB). The government has made significant investments in modernizing the armed forces, focusing on acquiring advanced platforms such as fighter jets, submarines, and artillery systems.

In May 2020, Prime Minister Narendra Modi launched a new campaign in view of the covid-19 pandemic, Atmanirbhar Bharat Abhiyan. Under this campaign, the defence sector was declared an important sector. Making this sector self-reliant can also create employment opportunities and reduce the import burden. Between 2015 and 2019, India imported about 10% of the world's arms, which was the highest in the world. The recent India-China tensions have highlighted the need to defence procurement at short notice. In such situation it becomes necessary to reduce the imports. Along with reducing imports, indigenous defence procurement is also being encouraged. On this basis, in February 2021, the Indian Army ordered M4 Armoured Vehicles from Pune-based Bharat Forge Company. The Ministry of Defence has also taken some steps to encourage Make in India, like FDI in the defence sector has been once again increased to 74%. From 2021-22, 60% of the Total Capital Acquisition budget has been kept for domestic capital procurement i.e. 60% of the procurement will be done only from Indian industries. The Ministry has revised the Defence Procurement Procedure 2016 and released Defence Acquisition 2020. In this defence acquisition 2020, emphasis has been laid on self-reliance. It talks about the use of indigenous software and also gives a big push to the innovation of startups and MSMEs. In 2020-21, the Department of Military Affairs, Ministry of Defence announced a positive indigenization list. In the list, import of a total of 209 items has been banned, which will give a big push to indigenization. Today, India has a large industrial base on the Defence front, which will help in making India's defence sector self-reliant. The most important in this industrial base is DRDO, which is a premium organization of defence research. Apart from this, in 2021, the government converted 41 ordnance factories into 7 government companies which will be completely government-owned. Prime Minister has described these countries as the base of India's military strength. These 7 companies are Munitions India Limited, Armoured vehicles, India Optel Limited, Advanced Weapons and Equipment India Limited, Yantra India Limited, Troops Comfort Limited and Gliders India Limited. Apart from this, 12 defence PSUs are also contributing to India's defence industry.

Private Sector in Defence

In this self-reliant campaign of the government, another important measure is being taken in which the private sector is being aggressively promoted. As we have already told that since

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2001, India's defence sector has been opened for private companies. Very encouraging trends are being seen in this sector. Involvement of private sector has started in big defence projects Like Tata and L&D were involved in the battlefield management system, L&T will design Unmanned Ariel Vehicles (UAV) Lakshya for DRDO. Apart from this, the government has allowed DRDO to transfer technology to private players. A significant provision 'Strategic Partnership Policy' has also been introduced in the Defence Procurement Policy 2016, under which selected Indian private sector companies have been allowed to enter into partnership with foreign companies. In this, fighter jets, helicopters, submarines and armoured vehicles manufacturing have been promoted. In August 2020, an indigenisation portal 'Srijan' was launched. Through Srijan portal, DPSUs and ordnance factories provide development support to the MSME, start-ups. Apart from this, a positive indigenisation list was prepared. It will list such items which will be produced in India itself. Due to this push of private companies, in 2021 Kalyani Rafael Advanced System handed over its first indigenous missile to the Indian Army. This company is a joint venture of Kalyani Group and Israel's Rafael Advanced Defence System. Today more than 300 private companies have been registered in India. Out of these, about 110 have started production for the Defence sector. Some of these important private players are Tata, Reliance, Mahendra, Adani, Kalyani Rafael Advanced Systems and L&T etc. The government has announced a corpus of Rs 100,000 crores for private sector research and innovation in defence, indicating a strong commitment to fostering a robust defence industrial base.

CONCLUSION

The "Make in India" initiative is a transformative program that holds immense potential for the Indian defence sector. By promoting indigenous manufacturing, attracting investment, fostering innovation, and enhancing self-reliance, the initiative aims to create a robust defence industry that not only meets the needs of the Indian armed forces but also contributes to national security and economic growth. For the initiative to succeed, it is essential to address existing challenges, streamline procurement processes and create a conducive environment for collaboration between the government, industry and research institutions.

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Acknowledgment

The author(s) appreciates all those who participated in the study and helped to facilitate the research process.

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Conflict of Interest

The author(s) declared no conflict of interest.

How to cite this article: Abhimanyu (2024). Atmanirbhar Bharat in Defence: Historical Context and Contemporary Implications for India's Strategic Autonomy. *International Journal of Social Impact*, 9(4), 84-91. DIP: 18.02.008/20240904, DOI: 10.25215/2455/090408