

BUDGET 2021: SMALL INCREASE IN DEFENSE SPENDING EVEN AS CHINA STANDOFF SIMMERS

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India increased its [defense spending](#) by about 1%, throwing the timing of its military modernization program into doubt while it faces a protracted standoff with China along their disputed Himalayan border.

Overall, military spending increased to 3.47 trillion (\$47.4 billion), up from 3.43 trillion in the previous financial year, budget documents indicate. India's expenditure is about a quarter that of China's -- in May 2020, Beijing announced a yearly defense budget \$178.6 billion, according to data from the Center for Strategic and International Studies.

There had been an expectation that India's defense [budget](#) would receive a "robust increase" in response to the deadly clashes with Chinese troops in eastern Ladakh, said Laxman Behera, associate professor at the Special Centre for National Security Studies at Jawaharlal Nehru University in New Delhi.

It would have "signalled that India's government means business when it comes to the nation's sovereignty and security," Behera said. "It looks like the defense minister will have to live with a shortfall for years to come."

Both India and China have moved thousands of soldiers, tanks, artillery to the disputed border after clashes in the Galwan valley in Ladakh last June that left at least 20 Indian soldiers and an unknown number of Chinese troops dead. The clashes along their 3,488 kilometer (2,167 mile) boundary, known as the Line of Actual Control, come as China increasingly asserts its presence in the region and as India grapples with the world's second worst coronavirus epidemic and an economy in crisis.

India had previously announced plans to spend \$250 billion over a 10-year period to 2025 on defense modernization, focused on upgrading its ageing fleet of fighter jets, submarines, battle tanks and armored vehicles. But budget restraints and a renewed focus on the local manufacture of defense assets have put that timeline in doubt.

And while India is among the world's top five military spenders, most of the funds allocated for defense forces go toward the salaries of about 1.3 million serving personnel, pensions, infrastructure development, and repairs.

Other experts were unsure whether the budget was enough to meet all liabilities.

"The defense budget reflects the financial constraints faced by the government and the inescapability of spending on health and infrastructure to boost the economy," said Amit Cowshish, a consultant with the Manohar Parrikar Institute of Defense Studies and Analyses and former financial advisor to the defense ministry.

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