

growth, there has always been an implied reluctance to develop India's military inventory and New Delhi has historically justified its defence purchases in terms of the threat posed by Washington's arming of Pakistan.²⁹ This is a specious argument, however, because India's broad-based defence modernization programme is much larger than Pakistan's.³⁰

Indian defence expenditure is not confined to imports from the global arms market, there is also a well developed indigenous capability based on India's considerable military-industrial base in the production of armour, artillery, and aviation. India is testing a domestically designed main battle tank, *Arjuni*³¹; it is developing a light combat aircraft to be ready by the mid-1990s; and most significantly, India has demonstrated its determination to achieve self-reliance in missile technology by becoming the fifth country in the world to have an intermediate range ballistic missile capability with the successful launch of its 2,000-km. range *Agni* missile on 22 May, 1989. Therefore, defence expenditure appears likely to go up rather than down in the future. However, other domestic factors could alter this trend. Although India's military-industrial complex has evolved to the point where the country is poised to become independent of much of its reliance on Soviet arms, India's defence budget adds increasing pressure to the country's severe economic situation. Moreover, it is doubtful that India can maintain the current level of defence spending in the face of growing demands for the allocation of more resources to the rural sector, where the majority of Indians live and work.

Clearly, the qualitative development of Indian military technology will determine New Delhi's capacity for regional intervention in the future. The growth in land and air power and

²⁹ This tradition continues. In reply to the question: "Even if there is not a war [with Pakistan], will India have to increase its defence spending?" Prime Minister Singh replied: "Our defence budget is made in Islamabad. We have no choice but to increase spending." Interview with V.P. Singh, *Far Eastern Economic Review*, 17 May 1990.

³⁰ For example, India's \$1.3 billion order of heavy artillery pieces from Bofors in 1986 alone was reportedly the equivalent of about five years worth of US military aid to Pakistan. See: Munro, Ross H. "Superpower Rising," *Time*, April 3, 1989, p. 13.

³¹ India plans to manufacture 1,500 of these Main Battle Tanks before the year 2000. See: *The Military Balance - 1989-1990*, London, IISS, 1989, p. 150.