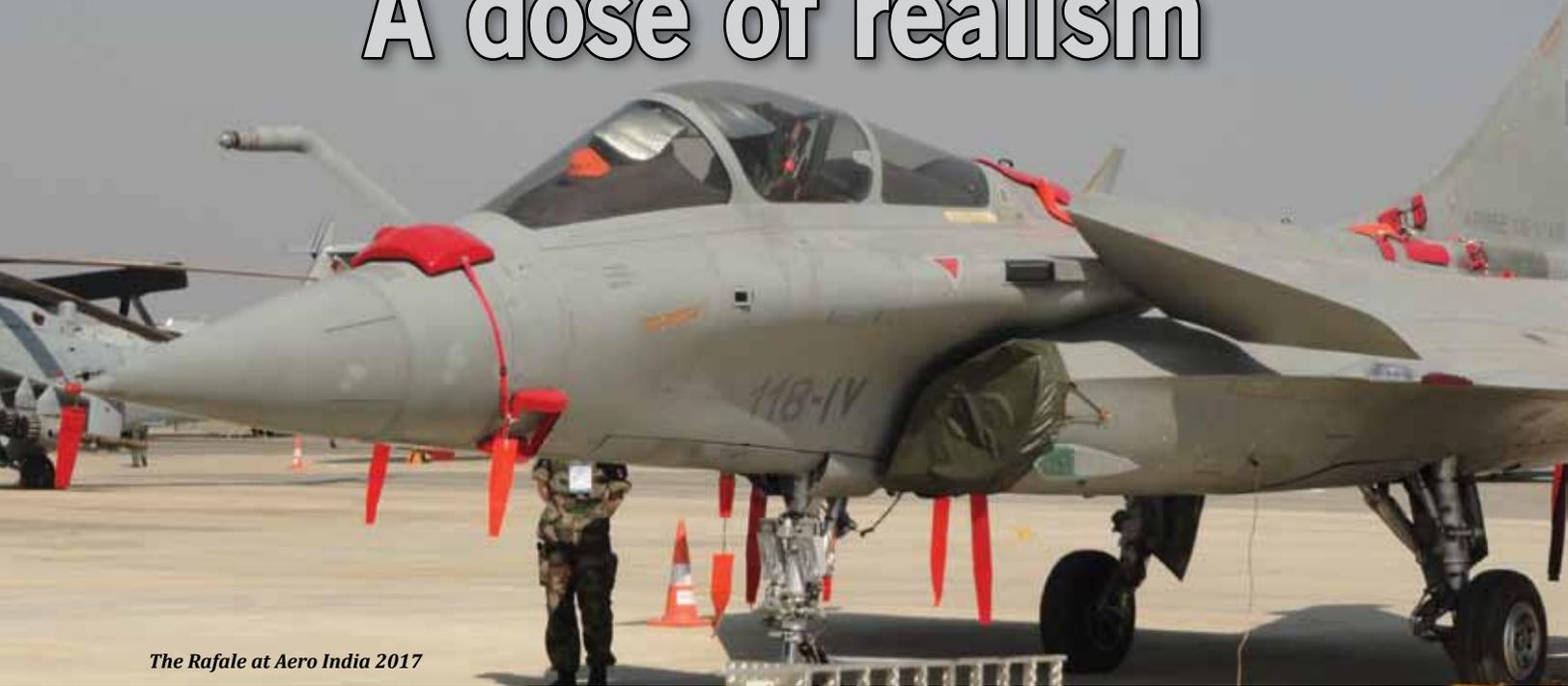


A dose of realism



The Rafale at Aero India 2017

There is something about the procurement of military equipment from western commercial sources that generates public interest far greater than its financial or strategic content. The entire spectacle of open tendering, nail-biting selection, followed by endless negotiations - all played out in the public domain – does little justice to the very serious business of dealing with a weapon system for the battlefield which, in reality, should remain strictly confidential, if not totally secret. In rare cases of contracts approaching fruition, chances are that at some politically opportune time, these would also become the subject of political controversy with scarcely any concern about the adverse impact this will have on national security, the operational capability of the armed forces or, indeed, on their morale.

The latest to join this league is the truncated MMRCA purchase of 36 Rafale aircraft from Dassault Aviation against the Indian Air Force's requirement of 126 aircraft, a process that was initiated in 2007 as a commercial bid, but remained deadlocked till a new government took charge, scrapped it, and took a decision to go by the government-to-government route. Political opponents have now fired a

salvo, alleging that the final contracted unit cost per aircraft was far greater than the one that had been negotiated by the previous government and that due procedures laid down had been violated. This, in turn, has generated a freewheeling public debate much of it based on limited technical knowledge and perception rather than on hard facts.

As someone who has spent nearly a decade in Air HQ in the planning and procurement branch in various capacities, including its head as deputy chief of air staff, was part of the ministry of defence team that negotiated the Anglo-French Jaguar contract in the late 1970s (which, at the time, had more than its share of speculative media debate and corruption criticisms), observed at close range how the United Kingdom and the French military aerospace industries function and been a part of numerous MoD negotiating teams thereafter, one feels morally bound to inject some realism in this self-defeating debate. This is because whatever may be the political or moral compulsions driving it, at the very least it undermines the confidence that the IAF rank and file will have in its own military leadership and adversely affect morale. That is why the

IAF chief has been constrained to take the unusual step of publicly stressing that it was a government-to-government contract, and that it was a better deal with lower cost implications than the earlier MMRCA contract negotiations.

Even in commercial contracts that relate to modern combat aircraft and associated weapons and systems, national governments and strategic security interests of both seller and buyer countries are invariably involved. National governments of aerospace suppliers hence keep a benign check on their own industries – to promote their international sales footprint – as also on their industrial practices to prevent diplomatic embarrassment. All suppliers also require that their costs are treated as 'commercially confident' information for the buyer only. In the event of such contracts being backed through a government-to-government understanding, these commitments take on a more formal role.

Unlike many stand-alone products, it is too simplistic a notion to calculate costs per aircraft, because without ground and test equipment, weapons, spares support, repair facilities and a host of other essentials, the aircraft has no utility as an operational weapon system. Any cost comparisons to