

INSIGHTS

 SYNERGIA FOUNDATION

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A COMMANDO RETHINKS LOGIC & REASON

EXCLUSIVE INSIGHTS BY DORON AVITAL



MUST READ



EXPERT INSIGHTS



Vice Admiral D.M. Deshpande
AVSM, VSM (Retired) and the former Controller of Warship Production and Acquisition in the Indian Navy



Sanjay Mitra
Former Defence Secretary, Government of India



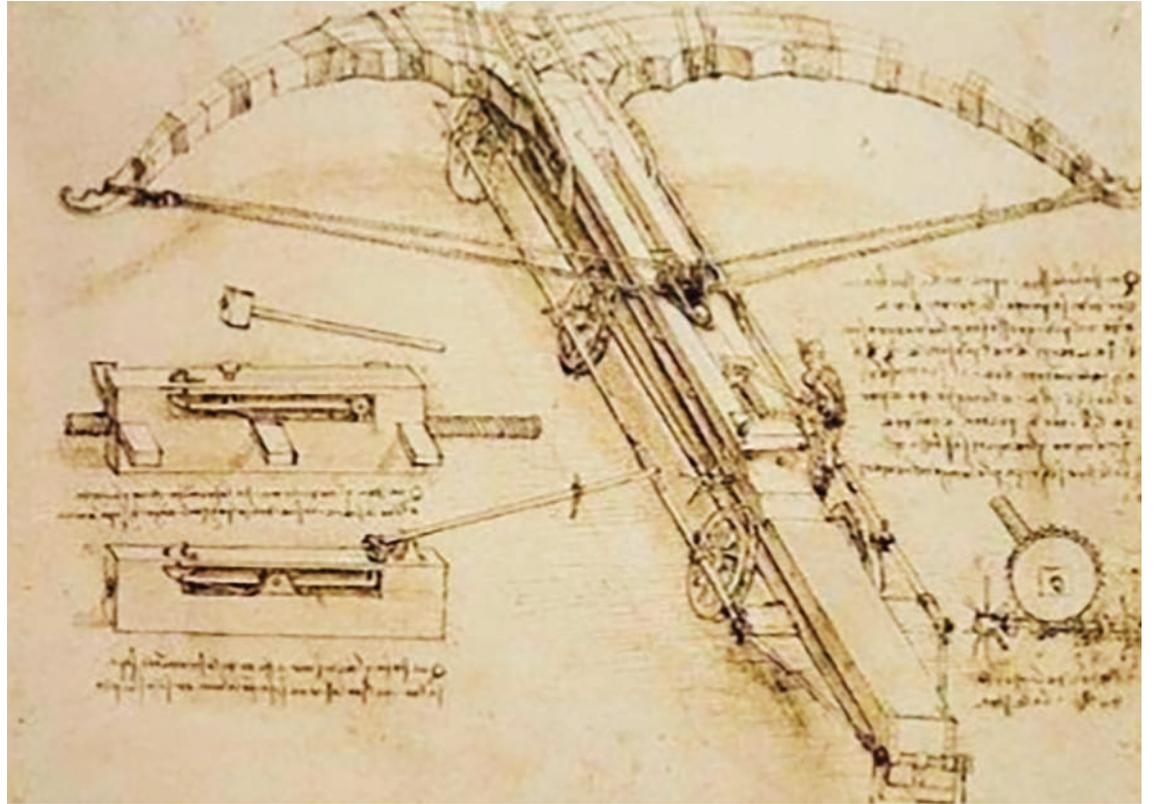
Subhash Chandra
Former Secretary, Department of Defence Production, Government of India

MORE THAN SUSHI ON HIS PLATE





Logic in action



Nothing is more difficult, and therefore more precious, than to be able to decide.

Napoleon Bonaparte



Doron Avital

a paratrooper in the IDF, has held key positions in the IDF Intelligence (1977-1995) culminating in the position of Chief-Commanding-Officer of Israel's renowned Sayeret Matkal. A PhD from Columbia University, he joined politics in 2009, winning a seat in the 18th Knesset as a MP of the Kadima party and served in the Foreign & Security Committee. This article describes in brief his ideas that have been discussed in greater detail in his book "Logic in Action". He elaborated on these ideas at the 89th Synergia forum.

As a young boy, I was always mesmerized by stories of great men and women of action at fateful cross-roads of decision-making. Then, like as today, I felt the full weight of the moment of truth as it confronts the individual, the man or woman of action, with the imminent necessity to decide. Alongside, as I was climbing up the ladder of education, I found myself just as well captivated by the great intellectual stories of our times, in particular 20th century analytic philosophy and, at its core, the machinery of modern logic. How do then the cool contemplative modes of the philosophical and analytic outlooks that are better fitting of the philosopher's armchair at the fireplace hang together with the heat of the battlefield or the angst of the ticking clock of time left to the completion of a dar-

ing special operation?

Not accidentally, and in fact as consequence, I have chosen a course in life that challenged me to visit the poles of both theory and practice. I set myself on a mission to unravel the tension between the contemplative inquiry, supposedly theoretical, aiming at the logical structure of things, and the uncompromising test of life and action. The puzzle of the gap between theory and practice has become ever since the guiding question of my life.

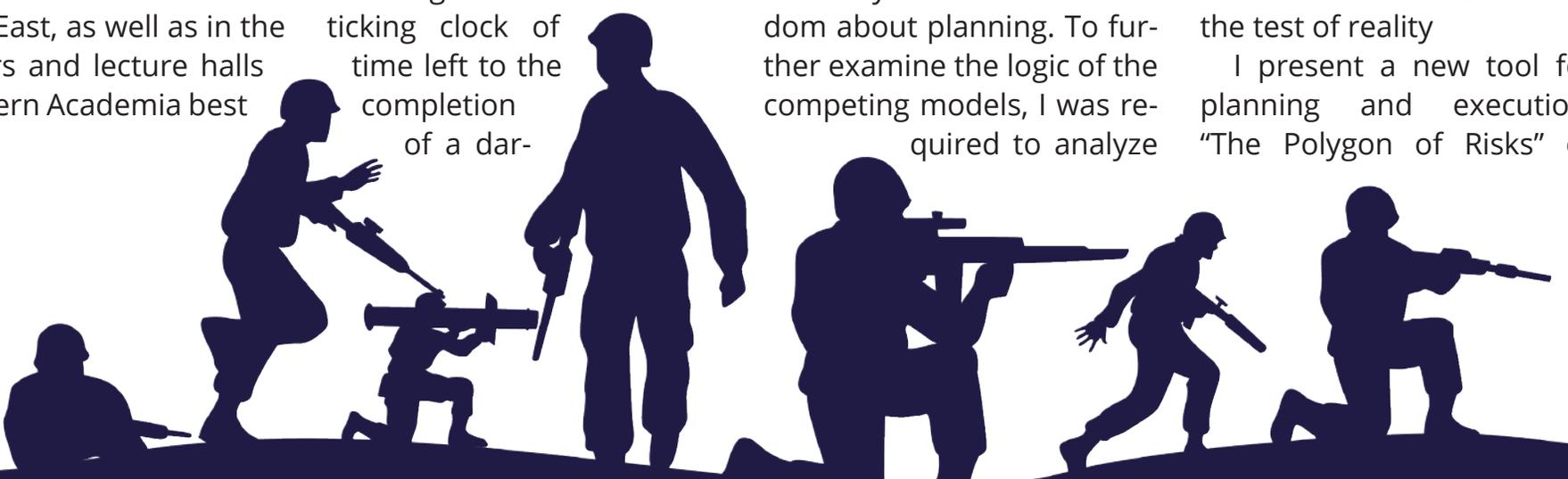
What is planning? I confront two approaches to planning. The first is the one I saw as a mission to myself to cultivate in my many years of military service. The second is the one I saw as representing a deep-rooted fallacy that holds a firm grip on today's conventional wisdom about planning. To further examine the logic of the competing models, I was required to analyze

the concept of "The Standard". I argue that the false model of planning has its roots in an attitude of an uncompromising adherence to the power of literal obedience to standards and rules. The standard, or what is outlined by a rule as prescribing a future course of action, is seen as an answer to the fundamental tension between theory (planning) and practice (execution).

I argue in contrast that the standard does not produce an answer but rather what I call: "A Well-Defined Question". In essence, it is a meticulously well-planned invitation to exercise a fresh judgment. A judgement that has as an anchor the default answer that the standard produces but is open to extension as it confronts the new frame of reference of the test of reality

I present a new tool for planning and execution: "The Polygon of Risks" or

These thoughts were born on the battlefield and in nights of secretive special operations all around the Middle East, as well as in the corridors and lecture halls of Western Academia best schools.



The Logic of Special Ops



Planning to execution, tip of the Iceberg



The Standard
Opss...frame of reference has shifted



Polygon of Risks
A Dialogue bet Trade-Offs



“The Polygon of Execution”. The Polygon is a geometric illustration of the underlying tension that exists between all dimensions of the operational project. The construction and conceptualization of the trade-offs that exist between the various dimensions - segments of the polygon - is the first topic on the planner’s agenda.

I position the concepts of “Daring” and “Taking Proactive and Well-Informed Risks” as necessary logical constituents of the polygon and show how in contrast the false model of planning is responsible for an operational culture that is risk-averse. It encourages, in fact, the piling up of false securities at the segments’ level that eventually lead to the collapse of the polygon.

The necessary trade-offs relationships that exist between the segments of the polygon express the fundamental tension between partnership and competition: partnership in a joint goal and competition over resources, both material and abstract. When this tension is not managed well, that is, when the players’ local optimizations overshadow the global optimization required for the success of the project, the execution polygon collapses.

In this scenario, we may find the setting of the bar of “High Standards” in players’ spheres of responsibility to conceal a hidden agenda of personal insurances taken

against a possible failure. Once the overall risk is not mitigated by way of collaborative joint executional dialogue, the process that leads to a collapse of the polygon is literally unstoppable.

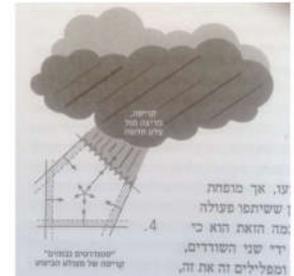
I further examine the way in which we should translate the polygon into sequential critical decisions on the timeline. The execution polygon is not rigid scaffolding but a dynamic conceptual illustration of the project. It will need now to be converted into successive decision junctions. We will find the content of a decision and its timing on the timeline to be inseparable. The right decision is the one that is taken at the right time. The moment of decision is in fact the last moment of deliberation, the first moment available for action, i.e. the first possible “Can” is also the latest possible “Must”. Deciding too soon is analogue to the “Jumping of the Gun” The decision maker is forcing a pre-conceived answer to a state of affairs not ripe for an answer, e.g. the target in the shooting range is not yet erected. Late to decide and the decision maker may envision what he or she should have done but reality is no longer available for them to harness it right, e.g. consider a tennis player’s frustration when reviewing a too-late-to-react move in the video replay.

“The Moment of Truth” is the moment when everything

is on the line and from which there is no turning back. Its nature is of “One Shot, One Opportunity”. This must shed true light on the analysis of the logical structure of failures as unwarranted repetitions of past lessons. The schooling curriculum indeed consists of important abstractions drawn from past lessons. However, it is when we project them in a fashion that is literal or mechanical that we must cross way with failure. The paradox of education is that what we must repeat in school and simulation must be extended and not repeated in real life. What then is required of us, so we do not fall into the fallacy of repetition in face of the moment of truth? This is the core genius that the moment of truth asks of its protagonists. It is here that the words of Napoleon Bonaparte resonate so well when he argues that “nothing is more difficult, and therefore more precious, than to be able to decide”.

Last is the underlying conceptual connection between Strategy, Logic, and Ethics. We need to be aware of the tension between strategy as a process of setting goals and deriving backward as it were the steps that are necessary for achieving these goals, to the inescapable ruling of the ethical imperative. This unavoidable tension is particularly important against the backdrop of contemporary culture that is guided by a vision of personal success

Polygon of Risks
Collapse



Decisions
A Bridge too Far



and achievement that may threaten our ability to do what is right. Most of all, I am troubled with the role logic may play, first as a liberating force enabling a change that is tuned to the ethical imperative, and second, as a force designed to justify on logical grounds, as it were, the existing power structure. It is in this junction that brave individuals will be called to challenge the governing logic of the zeitgeist - logic that operates now as an oppressive force that serves the vested interest of beneficiaries of existing order. When “success” is favoured over doing what is right, as we must admit is the prevailing cultural mood of our times that the words of Emanuel Kant carry their full weight: “Do the Right thing and leave the Consequences to God”. For this we need heroes and heroines that challenge the time by bearing the full weight of responsibility that comes with the doing of what is Right.

The Age of reason: Media, Judgement and the “Liberal Fallacy”



At the 89th Synergia forum, Doron Avital elaborated on thoughts expressed in his paper Bismarck with an iPhone: The future of the Age of Reason. He argued that the “Old Liberal Order” must give way to a New Order and emphasises that such a transition is not possible if history and events are seen by the media and society from a “judgemental” Left, right or centre point of view. The following are excerpts from his paper, which has been published online on Synergiafoundation.in

The place and status of the media must also be questioned. Plato famously was apprehensive of the corrupting

power of art. In retrospect we can defend Plato’s position and say that he feared the corrupting power of bad art.

But Plato goes so far as to express the concern that even a wonderful poet like Homer, standing in front of an audience thirsty for his poetic descriptions of Achilles’ exploits, may err and think he himself is Achilles or even that he can surpass Achilles.

Reflecting on the mega-celebrity status of actors and actresses that overshadows by far that of the protagonists they play, we may find Plato not far from the mark. This may also hold true of the media vis-a-vis the praxis of life and politics that is the

subject of their reporting.

The media of our times with the reach of power it holds is in danger of falling into the arrogance alluded to by Plato. It may err and regards its protagonists, political leaders, generals, leaders of industry and economy and men and women of action in general, as merely extras in a plot where they are in fact the authors and true protagonists.

When the very ethos of action and respect to real-life protagonists is undermined up to ridicule in the name of critical review that the mood of the “production floor” of society may turn against the media and the coverage it offers. The people at the “production floor” that feel

exploited and excluded from the socio-economic power game may then turn to irresponsible populist leaders that cynically nourish their rage.

So is the wind of moralistic retrospective judgment that blows through the media and the liberal circles in relation to past heroes. See the commotion surrounding the smashing of the General Robert Lee monument, commander of the army of the American South, the Confederate Army, during the American Civil War. The same wind is blowing in many other places in our tumultuous world, from the shattering of ancient pagan monuments by ISIS in the Syrian civil war and elsewhere to, in con-

trast, New York City municipality, which is seriously considering, following a liberal protest, whether the statue of Christopher Columbus, the discoverer of America, should be left standing. Political correctness judges the past in semantic categories that are not materially available to the people and protagonists of the past – it is somewhat like requiring past figures to pay in the currencies of our time.

We can safely assume that General Ulysses Grant, General Lee's contemporary who led the fighting against him, would not have joined this righteous protest campaign and would have been happy to see his opponent's statue intact.

It is especially ironic that this judgmental state of mind – preoccupied with purifying the past of figures that do not retroactively stand up to the stern criteria of our current lifestyle – is reminiscent of the Soviet *modus operandi*, ridiculed in the West, in which official documents and photographs were cleared of any evidence of the existence of senior officials who had been purged from power positions.

The spirit of judgmental political correctness that has taken over the reading of history is dangerous. More than anything, it causes us to miss the encounter with history as it occurred, with its people and its protagonists as well as with the material circumstances they faced.

It is a mindset afflicted with a simplistic description of history as if the latter were a chain of unnecessary disasters instigated by irresponsible leaders. The historian becomes a judge, and the historical research becomes



Statue of Confederate General Robert E. Lee on Monument Ave in Richmond, Va

the gathering of evidence to substantiate the guilt or innocence of the protagonist.

Against what, we must ask ourselves does the standard-setting historian-judge assess and evaluate the actual course of history?

He or she can assess it only against an ideal standard, that is, political "ideal conditions," borrowed from today's material circumstances. These take the form of a counter-factual historical trajectory, against which actual history does indeed seem to be one continuous anomaly and its protagonists therefore may be seen as criminals.

This judgmental and moralistic mindset is part of the postcolonial ethos that now dominates the hallways of Western academia and media. At the heart of this mood is a particularly simplistic and critical reading of history and especially of the colonial past of the West, to which in many ways the West owes its current power and status in world affairs.

Behind this intellectual state of mind lies the assumption that there is an "ideal" point of reference, sometimes even perhaps in the

form of a pre-colonial, natural state, a return to which represents justice; this, in a non-coincidental analogy to an utopian conception of nature and the environment, before the massive human environmental intervention of the Industrial Revolution.

A similar case can be made in relation to the idea of progress and the inadvertent replacement of the concept of technological or structural-political progress with the idea of moral progress. It can be said that for the standard liberal, progress is in the construction of political and social life designed in such a fashion so that the very idea of friction, the coping with the necessity of resolving moral dilemmas, will become a matter of the past.

This is a nonsensical idea according to which, complying with the moral imperative is an a priori attempt to construct a structured way of life so that the moral dilemma cannot come into being to begin with. In a crude analogy to simplistic ethics discussions in youth movements: if you are on a plane that must be abandoned with 20 people on board and

The spirit of judgmental political correctness that has taken over the reading of history is dangerous. More than anything, it causes us to miss the encounter with history as it occurred, with its people and its protagonists as well as with the material circumstances they faced

only 19 parachutes, what should you do?! The simplistic liberal thinks of a world and an ideal way of life in which the ethical parachutes are already packed and prepared in advance for all the passengers of the plane.

The frustration therefore of the standard liberal is with the very emergence of the moral dilemma. In analogy to a mathematical problem with no solution, the liberal observes the moral dilemma as having no "correct" resolution, but that it could and in fact should have been prevented from coming into being. (e.g. that there should have been 20 parachutes on board!)

However, this may be true that we all prefer having enough ethical parachutes, the moral dilemma will always cross our path. The standard liberal will find in this entanglement an excuse not to act but find fault in a structural malfunction of the socio-political system that is responsible for the dilemma. Fault must be that of past generations or of others; the liberal thereof is excused. To this logical predicament, we better reserve the term: "The Liberal Fallacy."


EXPERT QUESTION
Maj Gen Moni Chandi (Retd)

Chief Strategic Officer, Synergia has served with the NSG twice: First as a counter-terrorist commando with India's elite 51 special action group and later as the Inspector General - Training of the Special Force. He is also a combat engineer and has served with the UN peacekeeping operation in Cambodia and New York.



Q Maj. Gen. Chandi: A philosopher once said, "A leader is a product of a time." If you look at Donald Trump as leader, there are many leaders like him that have emerged all over the world, such as Putin, Xi Jinping - right wing leaders who have a very close tap on the electorate and are able to win elections. If that's the flavour of a politician today, if we look back, will Donald Trump have a legacy of having been a fall guy? I'm saying that because contrary to what everyone says about him, he's pointed out many truths, like pointing out that NATO thought that the US was a sugar-daddy. And I think even Europeans have realised that there was truth in what he said.

I read that US debts have hit a historic 26 trillion. And the fed-

eral deficit in the current year is going to be close to 6 billion dollars. Is it just a simple question that the US can't afford it any longer and Donald Trump is the fall-guy?

A Doron Avital: It might be so, what you mentioned goes back to Kissinger. The one remark he made about Trump was that "his role was to undo the hypocrisy of our time." In this respect I think he fulfilled his role. Now the question is whether we can pay for his fooling. I always go back to my 14 year old kid, he was 10 when Trump was elected. He told me that he saw on the Simpsons that Trump is going to be elected. Now as he's turned 14 he says "[Trump] messed it up too much."

In terms of really unmasking hypocrisy built into this stage - and the hypocrisy is that the people at the bottom are asked to pay for the self-image of the people at the top. The polls basically say that they're not willing to pay anymore. People here in Israel are saying that part of the outrage



in America is that the rich rebel against the poor. So there's no question here that there's some unmasking of hypocrisy and this is why he was elected, and the question is whether he has really gone too far from literalism and really messed it up so much that we can't afford it anymore.

Now whoever would be elected, they have chosen Biden and not Sanders - somebody in the centre who understands the new world, new challenges - one has to be realpolitik in this 19-century fashion about the world and solve the challenges of the room. In the economic situation that you described, the burden, it is the topic that's going to need a lot of attention. I never predicted I focus on the logic of the present, but I think we are up to some major changes.

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Q You ended with a slide of Maximus who was a general who ended up being a gladiator. How does a soldier and a general like you end up being a philosopher - are there trigger

points that you face?

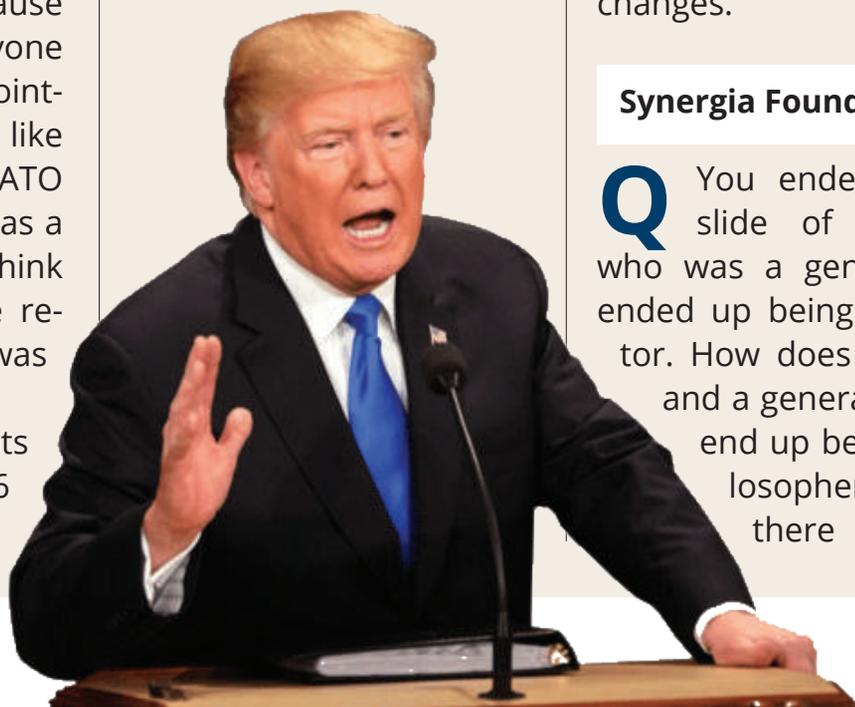
A Doron Avital: I think we live in a continuous process of redefining and reinventing. We find again and again the meanings of the world in action. In respect of Wittgenstein's philosophy, he showed that meanings are being reinvented, but not in the sense that anything goes. It's a clever argument saying that because the meanings are being reintroduced over and over, the truth really matters, but otherwise you can play with that technicality.

Maj. Gen. Chandi: You said how do army officers become philosophers. The army goes through such profound experiences that it's a very good foundation for philosophy!

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Q A quick, yes or no answer: while Trump may or may not be President, Trumpism is not an exception but the rule that we're going to see as things come along?

A Doron Avital: I'm saying reformulation of liberalism, reformulation of the premise and the



EXPERT QUESTION

promise of the Age of Reason is mandatory - there is no way to avoid it. There's no way to pay the bill for old-fashioned liberalism.

Suresh Goyel

(former IFS officer and the Director-General of Indian Council of Cultural Relations (ICCR), sent in his question to the Synergia Virtual Forum.

Q Suresh Goyel: We seem to be returning to nationalistic order from the experimentation with globalisation, and technology is introducing differentiated hierarchies in the new order. In this brave new world, what is the relevance of liberal order? Or should we develop meritocracy for more effective global order?



A Doron Avital: It goes back to the logic of what does it mean, what constitutes the core of quality? What does it mean to be the same? And the picture that I show all the time through Wittgenstein is that things don't become equal by having some cross-section where they share some core, they become equal by participating in a picture, like a jigsaw puzzle. So the logic of being one, this global logic of countries being one, is generated by completing each other

and turning into a picture. It might go through conflict. We have the big divide right now between China and the US.

I don't know how it works, but I would say that we have to think of completing each other to a picture with a direction, and not by insisting that everybody obeys to some core concept we have about what does it mean to be the same, what does it mean to be a nation. It's about partnership and not being compliant. This would be my major point. We have to wake up to this new world, but what we're looking for is a guiding principle that people would subscribe to. We can all complete each other to a picture to some extent.

Nalin Mehta

is a journalist and writer. He is Executive Editor, Times of India. He sent in his questions to the Synergia Virtual Forum

Q Nalin Mehta: Isn't this crisis of enlightenment that you talk about the consequence of the failure of globalisation? When

seen from the point of view of American law and orders, in economic terms. Globalisation was touted as the flattening of the world but didn't make it make the world much harder for American working classes,



leading to this questioning of Enlightenment itself and liberal ideas. What are your thoughts?

A Doron Avital: I think there is the basic logic idea - you take something in the absolute model, the mode of liberal democracy, but then you expand it and go further than what it can contain and then it breaks. But interestingly it's not only within the national regions. So what's interesting in the predicament right now is that many divisions and tectonic changes in globalisation, we overcame. We thought that the Bosphorus strait that differentiates Turkey to Europe is a thing of the past, because technology, the death of distance, globalisation. And now we find out that the world is not flat. America is an amazing story as a consequence of globalisation, of the old poor South against the rich liberal North, simplifying it. Brexit is now going back and saying they want to be Britain. So all those tectonic changes show their hand.

Maj. Gen. George,

the Director of Vanguard Business School, sent in his questions to the Synergia Virtual Forum

Q Maj. Gen. George: Interpreting the literal for the real or the serious, is it not the credibility of quality of the per-

sonality of the messenger that determines the interpretation of the literal message?



A Doron Avital: I would say every messenger carries the message he's on, and I think in the end this is the only message anyone can carry. I end my paper with a quote by Noam Chomsky, who says we don't need heroes, we need only good ideas. Good ideas, living in an independent fashion not carried by heroes of the past or such, for me this the core liberal concept that I can't even grasp, I don't understand what is an idea not materialised, exemplified in life. I end my paper with a quote from Newton who says "if I saw anything, it was because I stood on the shoulders of giants." This is the deep gratitude that the greatest physicist had to the past, and you compare this to the liberal attitude in which you just smash the past and ridiculous it, and think that ideas are living in some ethereal context not carried by messengers.

I would say that every one of us on the trajectory of his own life, it's an interesting encounter. Every one of us will encounter places where others did not. If we listen to those voices that are telling you a story, then you get what's really happening.

Tempering Expectations

The defence sector has its work cut out in encouraging local manufacturing and acquiring cutting edge technology from overseas vendors



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RESEARCH TEAM

India has ushered in a new regime for the production and acquisition of defence systems. Unveiled amidst much fanfare, the Defence Acquisition Procedure (DAP) 2020 seeks to streamline the procurement of defence equipment and cut delays in the approval of acquisition processes. Its biggest thrust, however, is on the principles of 'Aatmanirbhar Bharat' (self-reliance) and 'Make in India'. Through the DAP, the government hopes to empower domestic defence industries and incentivise indigenous manufacturing.

BEING PRAGMATIC

Among other things, the DAP has exclusively reserved categories of arms for Indian vendors. It contains a stipulation that products which are indigenously designed, developed and manufactured in India, should contain at least 50 per cent of indigenous parts. In other words, the monetary value of goods and services of Indian origin, which go into the manufacturing of the final defence equipment, should amount to at least 50 per cent of the total contract value. This is 10 per cent higher than what was stipulated in an earlier



Defence Minister Rajnath Singh releases the New Defence Acquisition Procedure (DAP) at the Defence Acquisition Council (DAC) meeting, in New Delhi.

policy.

The indigenous content requirement has also been increased to 60 per cent (from 40 per cent) for defence products that have not been designed or developed in India but have nevertheless been acquired from Indian vendors.

While it is desirable to progressively raise the indigenous content of defence equipment, this needs to be pragmatically weighed against the variables of quality, time, and cost. Since India lacks core capabilities and production expertise on various fronts, many of the inputs would have to be developed for the first time. If history is any indication, such processes can be riddled with quality issues, cost escalations, and delayed implementation. The development of indigenous systems such as the 'Arjun Tank' or the 'HAL Tejas aircraft' are notable examples. Another case in point is the 5.45 x 45 mm rifle, which had been de-

veloped as part of the Indian Small Arms Systems (INSAS) in the 1990s.

Bearing this in mind, it is important to ensure that Indian vendors can realistically pursue high levels of indigenous content, without compromising on quality and a reasonable degree of cost-efficiency. This entails hard choices on the core capabilities that need to be prioritised for indigenisation, as opposed to a ubiquitous elevation of indigenous content for all products.

WHERE'S THE FDI BAIT?

Even while emphasising self-reliance, India's defence sector continues to be import-dependent on a whole range of sophisticated weaponry. Acknowledging this, the DAP has introduced a new provision for acquiring weapons and systems from foreign vendors, known as 'Buy (Global-Manufacture in India)'. Under this category, only a minimum quantity of

defence equipment can be bought from abroad, with the rest being manufactured in India. Foreign vendors are required to gradually move into domestic manufacturing through subsidiaries, joint ventures, or production agencies in India.

The government is optimistic that this provision, along with an earlier policy that relaxed FDI limits (from 49 per cent to 74 per cent) in the defence sector, will encourage foreign original equipment manufacturers (OEMs) to set up production in India. However, it is important to temper these expectations.

It must be remembered that the increase in the FDI cap comes with a rider, whereby all investments in the defence sector are subject to pre-approval scrutiny as well as a post-approval review on the grounds of 'national security'. Since this term has a broad connotation, it impacts different ministries and departments in the government, ranging from defence to home. This, in turn, could result in unnecessary red tape, hardly the best bait for foreign investors.

Furthermore, the DAP has retained an earlier provision which restricts FDI in strategic partnerships to 49 per cent. Strategic partnerships denote a mechanism whereby Indian private sector companies are permitted to partner with foreign OEMs in manufacturing



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It is believed that the elimination of offsets will now reduce the purchase cost of defence contracts by 8 to 10 per cent.

fighter aircraft, helicopters, submarines, and armoured vehicles. Due to FDI limits, overseas vendors are confined to small manufacturing projects in these areas. The jury is out on whether this will be a good enough incentive to persuade foreign manufacturers to invest in India.

Finally, the DAP has come at a time of fiscal stress for the Ministry of Defence (MoD), aggravated by the COVID-19 pandemic and a stand-off with China. There are concerns that fiscal conservatism might disrupt and delay acquisition procedures. In this context, it becomes more difficult to convince investors that the MoD will have the wherewithal to purchase their products if they relocate to India.

OFF WITH OFFSETS

Offset guidelines have been revised in the new DAP. Earlier, these guidelines had required foreign vendors to invest a part of the contract value in India if government entities outrightly purchased equipment from them. It was believed that this could substantially develop domestic capabilities, transfer technology and generate employment. In 2016, the offset val-

ue was fixed at 30 per cent for defence deals above Rs. 2,000 crores.

In the current DAP, however, the scope of this offset has been considerably reduced. From now on, there is to be no offset requirement in Inter-Governmental Agreements (IGAs), Government-to-Government (G2G) contracts, and single-vendor transactions. The offset clause will, however, continue to apply to international deals that are competitive and have multiple vendors vying for them.

The removal of offsets

in the former category has come in the wake of a report by the Comptroller and Auditor General (CAG) of India, which pointed out that many of the offset obligations in existing defence contracts were never discharged. The CAG cited the example of the Rs. 60,000-crore Rafale deal, in which the French aircraft manufacturer Dassault Aviation and missile maker MBDA, failed to transfer technology to India's Defence Research and Development Organisation (DRDO), as had been previously agreed. In a similar vein, criticisms can be

voiced in relation to other acquisitions such as the EO/IR recce system for Jaguar aircrafts, or the upgraded Mirage 2000 fighter jets.

Experts also argue that offset clauses have prompted defence vendors to 'load' extra costs onto the final contract value, in order to recover the administrative expenses inherent in discharging offset obligations. It is believed that the elimination of offsets will now reduce the purchase cost of defence contracts by 8 to 10 per cent. However, a majority of India's defence imports are fighter jets, helicopters and heavy artillery. These are mostly acquired through G2G mechanisms (like America's Foreign Military Sales) or IGAs. A removal of offset requirements, therefore, can impede the transfer of technology (ToT) in these areas and undermine India's bid to develop indigenous capabilities.

Finally, even though offsets have been retained for competitive bidding, foreign vendors can easily bypass these requirements by lobbying their governments to formulate G2G schemes. If that happens, the entire objective of enhancing India's indigenous competence would stand defeated.

Assessment

Quality, cost, and timely implementation are important factors that need to be balanced against the indigenisation of defence inputs.

For foreign investors to set up domestic manufacturing, it is crucial to eliminate red-tapism and instil confidence in the purchasing capacity of India's defence industry. It is also important to build a profile that rivals Russia, China, and the Western powers, in order to supply

weaponry to the world's largest material buyers.

The government needs to critically revisit some of the assumptions underlying its indigenisation policy. There needs to be a structural overhaul of the ills that ail the Indian defence industry, including underperforming ordnance factories, red-tape, and lack of functional autonomy. The road to 'Aatmanirbhar Bharat' is a long and winding one, beset with difficult choices.



Good news for the navy



Vice Admiral D.M. Deshpande
AVSM, VSM (Retired) and the former Controller of Warship Production and Acquisition (CWP&A) in the Indian Navy, shared his views on the new Defence Acquisition Procedure (2020) with Synergia Foundation.

The 2020 Defence Acquisition Policy has set ambitious targets for indigenisation of inputs. Does India's fiscal reality belie a realistic pursuit of these targets?

On the first point, which is on the policy, as far as the Navy is concerned, we have about 100 odd items which

have been earmarked for indigenisation. The idea of this is that foreign companies tie-up with Indian partners and get into the manufacture of these spares, which would be used on board our ships.

The reason why the foreign companies want to come into India is basically because the shipbuilding market in India, is right now the most lucrative one in the entire world. We have close to 50 ships which are to be ordered in the next ten years, and therefore, they feel that this is the place they need to have a presence in. Many foreign companies have already approached Indian manufacturers of defence equipment especially in electronics, for tie-ups that not only tick-mark the Make in India concept be-

ing pushed forward by the government, but thereafter to benefit from the manufacture of spares and the 30 years of lifetime support that will be achieved.

So, to us, it is a very good step because we would be buying spares in India Rupee payment and not expending limited foreign currency. Also, the various aspects of custom duty clearance, placement of an export order, and thereafter its execution, the timelines that we save, when it is Indian manufacture are far immense and outweighs the possibility of getting things from outside. Therefore, for us, this policy which states that there should be tie-ups with Indian companies, is a big positive move so far as the Navy is concerned.

In the new policy, the offset requirement has been removed for Inter-Governmental Agreements, Government-to-Government contracts and single vendor transactions. Since assets like submarines, aircraft and tanks are largely acquired through such contracts, what alternatives does India have to build its indigenous capabilities in these areas?

As regards the offsets, the new policy talks about offsets which would be exempt in case of Govt to Govt (GTG) contracts and in case of a resultant single vendor nomination. To be frank with you, I got the first offsets for the Navy about 15 years back, for a project which we built in Italy and till today, none of the offset obligations have

fallen into place.

One of the reasons I am thinking, because I was a member of one these offset policy committees, is that in India, the offset clause of 30% is in only defence manufacturing. This restricted the foreign companies to come to only PSUs, wherein their orders books were comfortable. Private companies were not keen on getting these offset obligations. Though a few of them did come in, nothing actually came to fruition. So, therefore, getting offsets only into defence was one big question mark and generated a lot of debate.

We looked at the Brazilian model, wherein they had purchased certain submarines and their offset clause consisted of building a complete base for submarine operations and maintenance, which included infrastructure and things like that. Another issue I would like to bring out is that offsets have not got in the desired level of technology that we were looking at. No international vendor of repute would part with the cutting-edge technology that it has acquired,



It is a good step, let us wait and watch, and time will tell if it actually works for us in terms of overall price reduction in the original tender. If we are going to get something at a slightly lesser price, it would be worth it

at great cost in Research and Development (R&D) and thus jeopardise its future global operations.

So, offsets per se, at the 30% level, has been something which has not been coming in and therefore, the first step that the government has taken this time is that, for G2G and for the single vendor, we do away with offsets. I think this is a good move, because what happens is most of the compa-

nies jack up their price with a certain amount, about 7 to 9 per cent, considering the fact that they have to plough back that money into their country.

Even though offsets have been retained for competitive bidding, is it possible for private foreign vendors to sidestep this clause by pressuring their own governments to formulate G2G schemes?

In so far as the private sector is concerned, where you are saying they would pressurise their govt to get the offsets away; currently, the policy is going to test the G2G as well as single vendors on how the policy works without offsets. If it works well, then somewhere down the line we can look at completely eliminating the offsets or not restricting the offsets only to defence, but the offset could come to any economic development of the country. For example, under the present circumstances, the offset could also be used for a COVID vaccine. This is the type of thinking that has been going on, and there have been

debates on all the pluses and minuses. Currently with this policy, for G2G and Single Vendor, it is a wait and watch; we will see how things develop. The Rafale deal was G2G, most of our Russian contracts were G2G, and resultant single vendors are very far and few in between. These are only for some absolutely essential things, especially in terms of missiles and things like that, wherein certain platforms, particularly in the Navy, can be taken in from one specific country only.

It is a good step, let us wait and watch, and time will tell if it actually works for us in terms of overall price reduction in the original tender. If we are going to get something at a slightly lesser price, it would be worth it, because offsets have absolutely not taken off in the past.

As regards the presumption that private companies would pressurise their governments to convert their deals into G2G, this is something which is far more complicated than it appears, and we shall have to wait and watch how true it rings.

Indigenisation vs Military Preparedness



Sanjay Mitra

former Defence Secretary of India, shared his views on the new Defence Acquisition Procedure (2020) with Synergia Foundation.

Currently, civilians continue to handle acquisitions, while the Department of Military Affairs (DMA) does preparedness. This dichotomy has to go. The armed forces should handle acquisitions. Otherwise the blame game will continue. Fiscal realities are obvious. Unfortunately,



ly, there is little appreciation of the fiscal issues. The demand for 3% of GDP is

an indicator. Let us wait for the Finance Commission report. They have a specific Terms of Reference (ToR). Transfer of Technology (ToT) has happened without offsets. Private industry and foreign governments are closely linked. Anything can happen. Finally, it will boil down to preparedness vs indigenisation.



Offsets are not fructifying



Subhash Chandra

former secretary, Department of Defence Production shared his views on the new Defence Acquisition Procedure (2020) with Synergia Foundation.

The 2020 Defence Acquisition Policy has set ambitious targets for indigenisation of inputs. Does India's fiscal reality belie a realistic pursuit of these targets?

Indigenization need not be directly linked to offsets. All existing defence platforms are not covered by offsets too. Defence Offsets of recent vintage do, however. Acquisitions will depend upon the capital budget available for the Services. While IAF and Navy budgets may be

able to find head room for competitive tenders, it remains to be seen whether the Army will be able to do so, given the pressures of OROP on its budget and, of late, the emergent expenses of an extended winter deployment in the Ladakh region. Pandemic related slowdown may also impact defence allocations in the next budget, unless the gloomy projections of growth are revised. Realistically speaking, targets will be difficult to achieve.

In the new policy, the offset requirement has been removed for Inter-Governmental Agreements, Government-to-Government contracts and single vendor transactions. Since assets like submarines, aircraft and tanks are largely acquired through such contracts, what alternatives does India have to build its indigenous capabilities in these areas?

Frankly speaking, defence

offsets due from contracts of major platforms were really not fructifying. Offset banking and demands for technical services to be allowed by IOPs/Foreign OEMs were essentially with a view to circumvent sharing of technology and setting up of manufacturing units. Given this mindset, it appears difficult to imagine whether the discharge of offsets would have taken place and in the manner that it was envisaged in the DOP. If offsets are to be limited to competitive contracts, and provided that leasing does not take away options, then the space available under offsets will be little. The only alternative will be to procure, since the aerospace and defence industry is both high investment and needs time for technology to be absorbed.

Even though offsets have been retained for competitive bidding, is it possible for private foreign vendors

to sidestep this clause by pressuring their own governments to formulate G2G schemes?

Quite obviously, the preference for Foreign OEMs will be to seek the support of their own governments to be included in G2G or IGA type of arrangements. Most western countries have controls over their A&D industrial complexes to enforce a calibrated TOT and prices. We have witnessed several high-level visits actively promoting the sales of defence related hardware, resulting in signing of contracts. As it is, only single bids are excluded from offsets. Therefore, it would be natural for foreign OEMs to take recourse to IGA/G2G routes and for governments to support them especially where technology stakes are high. Bids of a lower value or low technology transfer issues will not be included in such an approach. Or where the multiplier available is more advantageous.

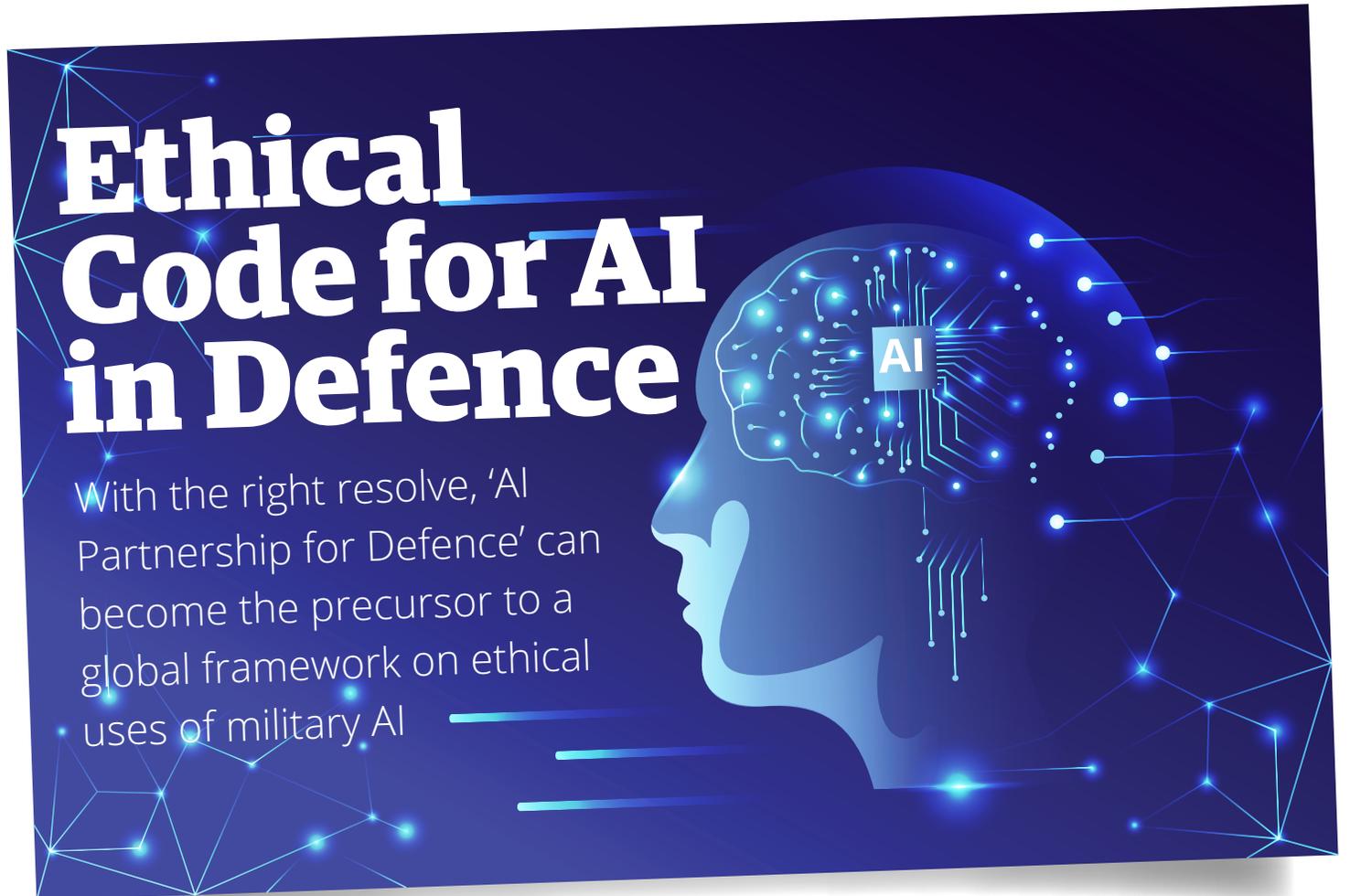


Heralded as a futuristic multinational framework and a global norm-setter in the military use of Artificial Intelligence (AI), the U.S. Department of Defence (DoD) has launched its 'AI Partnership for Defence' with military and defence organisations across different countries. In the inaugural meeting hosted by U.S.'s Joint Artificial Intelligence Centre (JAIC), this partnership has been touted as a forum to ideate the incorporation of ethical principles in AI delivery pipelines. It also proposes to discuss interoperability and data sharing, while leveraging AI-enabled defence capabilities.

This development has come in the wake of an earlier decision by the U.S. DoD to formally adopt a set of values (responsibility, equitability, traceability, reliability and governance) that guide the building, testing, and deployment of American military AI. Now, with the newly formed partnership, the U.S. hopes to implement these norms globally and establish its status as a trustworthy 'rule-maker' in the AI-enabled defence sector.

TIME BOMB

Given the rapidly evolving military uses of AI, the need to institute best practices and adopt ethical principles can hardly be disputed. Due to advances in machine learning, it has become possible for systems to analyse and make decisions based



Ethical Code for AI in Defence

With the right resolve, 'AI Partnership for Defence' can become the precursor to a global framework on ethical uses of military AI

on data, at a much faster pace than the average human. As a result, countries all over the world have been exploring the possibility of affording more autonomy to weapons systems. Although this promises to reduce human error and alleviate the 'cognitive strain' on soldiers, there are several ethical and legal concerns.

Consider, for example, the case of a lethal autonomous weapons system (LAWS). It will be able to select, detect, and engage targets based on pre-programmed inputs, with little or no human intervention. This, in turn, can cause the weapons system to fix targets that are not approved by the military and execute unintended attacks. In fact, it is debatable whether LAWS can adequately comply with humanitarian laws at all. The ability of its algorithms to distinguish between civilians and combatants is highly suspect. It is also uncertain whether it can review the proportionality of ends and means or deter-

48%

of total equity funding of AI start-ups globally came from China, compared to 38 per cent funded by the US, and 13 per cent by the rest of the world

[SCMP inferred, from: Next Generation Artificial Intelligence Development Plan, China]

mine military necessity; both of which are important doctrines that govern the lawful use of force.

Of course, LAWS is one of the more extreme examples. It is true that military AI has other applications ranging from reconnaissance to logistics. For instance, it can aid intelligence efforts by working with big data and categorising images or texts. However, the fact remains that such intelligence can eventually lead to systems that are devoid of human control. It is also possible for

the data sets on which machine learning is predicated, to be biased or flawed.

To mitigate the adverse consequences arising from these scenarios, there is a pressing need to determine international guidelines or ethical principles which govern the development and deployment of AI-enabled military technologies. Otherwise, it is a ticking time bomb. It remains to be seen whether the newly launched partnership will adequately fill these shoes.

COUNTERING CHINA & RUSSIA?

At present, the partnership comprises of a potpourri of traditional U.S. allies, including UK, Israel, Canada, Denmark, Estonia, France, Norway, Australia, Japan, South Korea, Finland and Sweden. It is being perceived as a coalition of 'like-minded' nations, who offer a democratic alternative to the AI policies of Russia and China; countries that have been criticised for developing, deploying, and

exporting AI systems in a manner contrary to human rights and humanitarian law.

China, in particular, has been denounced by the U.S. Secretary of Defense for using AI to create a surveillance state and exporting 'Orwellian' capabilities to autocratic governments. This includes DN phenotyping to profile ethnic populations and predictive policing by algorithms. There are also concerns that the Chinese military may deploy AI-enabled weapons systems that are unreliable and have not been sufficiently tested in operational conditions.

Even while chastising other countries for their allegedly irresponsible conduct, it is important for the 'Western bloc' to internally reflect on their own practices. History is replete with instances of legal and ethical violations vis-à-vis conventional weaponry. Despite the existence of international conventions like the Arms Trade Treaty, for example, western states have continued to supply arms to parties who are not in compliance with the laws of war or have committed gross abuses of human rights. This raises serious questions about the implementation of ethical guidelines in relation to emerging forms of warfare, such as cyber-attacks or military AI. In-

deed, the newly formed partnership will have to make a concerted effort to walk the talk on ethical military AI.

BAPTISM BY FIRE

At present, apart from alluding to a value-based approach for AI-enabled defence, there is very little information about the specific framework or functioning of the partnership. The JAIC personnel have, however, stressed on the principles of data sharing and interoperability. These are not without challenges.

Assessment

Since the future of warfare includes AI-enabled autonomous weapons, it is important for the partnership to transcend symbolic cooperation and lay the groundwork for ethical applications of military AI. This requires both moral and intellectual clarity. It is also important for the tech community to be taken into confidence.

For the U.S. to spearhead such an initiative, it is important to identify and work on the technical and legal challenges inherent in interoperability and data sharing. A common

From a political perspective, it is going to be an uphill task to convince states to share military and intelligence data. While a military bloc like the NATO may be better positioned to implement such a partnership, even amidst its members, there might be apprehensions of the leakage of sensitive data which, in turn, could compromise their national security. Even if some agreement was to be reached on data sharing, technical hurdles remain. The data might be stored in different for-

mat, throwing a spanner in the works of data integration.

lexicon needs to be developed amongst participating states.

In the long term, the partnership should facilitate a conversation on standards that govern the design and development of AI weapons systems. Repeated testing and prototyping should be emphasised. Commanders and operators need to be able to exercise appropriate levels of human judgement, irrespective of advances in autonomous military capabilities. Periodic review or documentation of legal and ethical gaps is also key.

Legal interoperability is another issue. It is well established that AI technologies are data intensive. Participating states generally have diverse legal obligations or regulatory frameworks that govern the flow of data. For instance, in non-military uses of AI, the EU has sought to assert its 'technological sovereignty' by deliberately distinguishing its data regulations from that of America or China. It is entirely plausible that this might be replicated in the context of military AI as well.

Finally, there has been limited thinking in Europe about the import of AI in military operations. The focus has primarily been on the digital economic and social spheres, with the possible exception of France, which published a military AI strategy in 2019. In the UK, the discussion has been largely limited to LAWS. Therefore, to arrive at a comprehensive multinational strategy on military AI, the European states will first need to deliberate on their own national policies. More broadly, the success of the U.S.-led partnership will depend on the ability of its members to survive this baptism by fire.

continues around the world, there is a need to have clarity on fundamental questions. Along with a road map for equitable delivery of the vaccine, there also needs to be a systematic international exercise in co-ordinations. A race of nationalism over the vaccine could be disastrous and governments need to rise to the occasion. Establishing the trust of citizens is essential and evolving standard global parameters to decide on the best vaccine and delivery modalities are imperative.

UPCOMING ROUND TABLE

RACE TO THE VACCINE



14:00hrs CET | 08:00hrs EST
18:30hrs IST | 13:00hrs UKT

We are delighted to announce our upcoming Round Table "RACE TO THE VACCINE" in collaboration with the Blavatnik School of Government at Oxford University.

As the quest for a vaccine

continues around the world, there is a need to have clarity on fundamental questions. Along with a road map for equitable delivery of the vaccine, there also needs to be a systematic international exercise in co-ordinations. A race of nationalism over the

vaccine could be disastrous and governments need to rise to the occasion. Establishing the trust of citizens is essential and evolving standard global parameters to decide on the best vaccine and delivery modalities are imperative.

More than sushi on his plate

Apart from domestic economics, Suga has to exert leverage in the South China Sea to forge a loose coalition of likeminded South-East Asian nations



Mr Yoshihito Suga's elevation as the Prime Minister came at a time when Japan is struggling with the after-effects of the pandemic and facing up to the rising belligerence of China in its immediate periphery.

Mr Suga's ability in the complex field of foreign policy is an unknown factor as till now he played a largely backstage role remaining in-step with his leader Prime Minister Abe. However, his opening moves on taking over are encouraging as he chose Vietnam and Indonesia in his first round of international visits as Japan's new Prime Minister, following in the footsteps of his predecessor Shinzo Abe. He is, however, known for his competence as a negotiator, who was integral in the success of the Trans-Pacific Partnership (TPP), which came into force on December 30, 2018.

His move to visit the South-east Asian nations can be interpreted as a signal to China to convey that its unilateral moves in the South China Sea would not be ignored or conceded to. For the hard-pressed South East Asian nations, pushed to the wall by Chinese hard power, this would come as an en-



couraging sign and could act as a catalyst to unite them.

During his visit, Prime Minister Suga announced that Japan opposes any actions that escalate tension in the East and South China Seas. However, it would be too optimistic to hope for an "Asian NATO," under Japan's tutelage which already has its plate full, trying to strike a balance between the United States and China, with whom it is strongly linked economically.

CLEAR INTENT

Mr. Suga has already established that his term will focus on continuing the policies of the Abe administration — which includes 'Abenomics,'

and the revision of Article 9 of the Japanese Constitution relating to using war as a means of settling international disputes.

He is expected to sign an agreement to export defence equipment and technology to Vietnam. This could be seen as a significant move to strengthen the military capabilities of South-east Asian partners, who are concerned about China's growing maritime power. In 2014, Mr. Abe ended the pacifist nature of Japan's post World War II foreign policy by permitting the export of weapons, to help Japan take on a larger role in regional security in the face of China. The same can be expected on his visit to Indonesia as well.

NEIGHBOURS' CHINA TIES

Vietnam and Chinese ties are a curious mix of antagonism and trade dependence. China unilaterally occupied the Paracel Islands and took the next logical step in 2014 by establishing its first indigenously designed and constructed oil platform near the Paracels. When Vietnam objected calling it a violation of territorial waters, China brushed it aside. In 2017, Beijing warned Hanoi that it would attack Vietnamese bases in the Spratly Islands if gas drilling continued in the area, and through 2019 and 2020, Chinese ships have continued attacking and sinking Vietnamese fishing and other vessels. On the



An estimated US\$3.37 trillion worth of global trade passes through the South China Sea annually, which accounts for a third of the global maritime trade.



80 percent of China's energy imports and 39.5 per cent of China's total trade passes through the South China Sea.

[United Nations Conference on Trade And Development]



The Ministry of Geological Resources and Mining of the People's Republic of China estimated that the South China Sea may contain 17.7 billion tons of crude oil, whereas the oil rich country of Kuwait has 13 billion tons

other hand, trade between the two continues to flourish. Vietnam's trade deficit with China rose to \$34.04 billion in 2019, from \$24.15 billion in 2018. It relies on China for materials and equipment, making Beijing its largest trading partner. Cambodia, however, has backed China, due to the anti-Vietnamese sentiment of earlier wars and the occupation of Cambodia after the removal of the Khmer Rouge.

Indonesia has also been a strong voice for the ASEAN. It was the main driver for ASEAN's outlook on the Indo-Pacific in 2019. Early this year, Indonesian and Chinese vessels were involved in a standoff, to which Jakarta responded by deploying F-16 fighters and naval ships. In May, Indonesia rejected Beijing's claims in the South China Sea at the UN. However, during the pandemic, Indonesia has received help from China in the form of medical aid and supplies. China makes up 24 per cent of Indonesia's total trade and is also its largest trading partner.

JAPAN'S ROLE

A more proactive Japan can be seen as a uniting force for the ASEAN countries, who all depend on China for trade. All three countries — Japan, Vietnam, and Indonesia — have had maritime standoffs with China in the recent past.

While Vietnam and Indonesia receive the most help from China, Japan has contributed significantly to their economies and has very strong ties with most Southeast Nation countries. A report by the ASEAN Studies Centre shows that Japan is one of the most trusted nations in the region. Its capacity-building assistance programme set up in 2012 by the Ministry of Defence, which prioritises South-east Asian partners, also focuses on collaborating on maritime law.

Under Mr. Abe, Japan adopted a more aggressive foreign policy as the threat posed by China grew, and the U.S. became less reliable as a security partner. He turned his brand of economic policies into what's known as Abenomics, which Mr. Suga helped develop. Mr. Abe has left a strong legacy for Mr Suga to build upon. Mr. Suga is now faced with the tough job of bringing out huge fiscal and monetary stimulus measures to prop up growth. On his plate are immediate concerns such as the pandemic and the Tokyo Olympics.

Japan is also part of the annual Malabar naval exercise, along with Australia, India and the U.S., which takes place along some of the world's busiest trade routes. The drills have previously been held off the coast of Japan and off the coast of

Guam in the Philippine Sea. However, much work is still to be done for Japan to hold the fort in either the QUAD or the ASEAN nations, or for the organisations to be able to stand up to China.

Assessment

Post-WWII restrictions on Japan's foreign policy outreach, preventing it from indulging in militaristic policies, facilitated peace in the Pacific region and gave a boost to economic growth amidst the countries of SE Asia. However, with China's aggressive efforts to establish its hegemony in the region, Japan has the potential to act as a balancer and bring stability in the region.

While Japan has been projecting its participation in the Quad as a collaboration of like-minded nations, and not an anti-China coalition, it is time that Japan played a greater leadership role to expand Quad. Its outreach can encourage SE Asian countries like Vietnam, Indonesia and Philippines to join the Quad, provided they are convinced that it is not a toothless alliance.

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