
The Utility of Military Expenditures in South Asia

Mohan Guruswamy

One does not have to labour too much over the fact that South Asia is the poorest region in the world with the greatest incidence of poverty, and is just ahead of a handful of sub-Saharan African countries like Chad and Burkina Faso. South Asia also has the highest density of population in the world and is the final and probably most formidable frontier in the battle against the great killers of mankind like malaria and HIV. It is home to dozens of nationalities, each with a troubled history. It is little wonder then that it is a vast and seething cauldron of a variety of troubles and conflicts.

As if its own problems were not enough, South Asia is ringed with nations and regions in turmoil of their own. On the east there is Burma, on the north there are Tibet and Sinkiang, and on the west, Afghanistan, Iran, Iraq and the Central Asian Republics. The large numbers of refugees as a consequence bring with them their own animosities and engender even more suspicions between the neighbours. India is home to thousands of Tibetan and Burmese refugees in addition to Sri Lankans and Bangladeshis. Pakistan is flooded with Afghans apart from thousands of Uighurs, Uzbeks, Tajiks and Chechens preparing to wage war on their countries. India, Pakistan, Sri Lanka and Bangladesh are currently facing serious internal security and secessionist challenges. It is, thus, an area of many contradictions, old and new.

South Asia is also the second fastest growing economic region in the world and the financial muscle of Indian business is now making a global impact. It has the youngest population cohort in the world and is poised for a dramatic economic growth. Yet South Asia is not economically integrated in any meaningful sense. India is its undoubted economic and military leader but has few linkages with its neighbours. Elsewhere in the world, regions have grown dramatically because of their economic integration. The Association of Southeast Asian Nations (ASEAN) and Japan have been the biggest drivers in the stunning

Dr Mohan Guruswamy is Director, Centre for Policy Alternatives, New Delhi.

growth of China. The irony is that despite their relative lack of engagement, the South Asian countries have been posting impressive growths. Greater integration would only speed this process and also pave ways for better understanding

There are two aspects to this discussion. The first relates to the external environment, regional politics and geo-political aspirations. The other aspect pertains to the internal security environment and capacity to cope with the complex and often conflicting aspirations of the world's densest and largest population grouping. The first aspect is easier to deal with as it mostly pertains to military expenditures. We have to deal with the issue of: is it out of control or is it just adequate? The internal security aspect is the tougher one to deal with as it encompasses issues of good governance, social and economic justice and structures of state. To do justice to this in one short paper is next to impossible. But in the second part of this paper exactly this will be attempted.

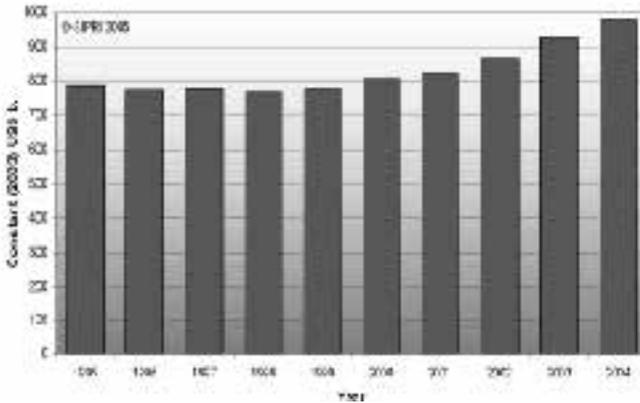
Military Expenditures in South Asia

Military expenditures in South Asia, given its myriad social and economic problems, evoke a great sense of outrage among many, both within and outside the region. The guns versus butter arguments still rage furiously. It may be pertinent to recall the eloquent words of Gen Dwight D Eisenhower, the US president, on April 16, 1953: "Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. The world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, and the hopes of its children... This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron."

South Asia's many flashpoints, and most notably between the two nuclear weapon states in the region, suggest a region furiously militarising. But the facts do not quite support this view. Even with its huge concentration of people, well over 1.5 billion and growing fast, South Asia accounts for less than 2 per cent of the world's military spending. The developed countries account for over 74 per cent of the world's military expenditure, with the USA alone accounting for 47 per cent of this. According to the Stockholm International Peace Research Institute (SIPRI), in 2005, the world spent over \$970 billion on its militaries. The expenditure after the US' war in Iraq and the North Atlantic Treaty Organisation's (NATO's) war in Afghanistan is now believed to be over \$ 1.5 trillion. On the other hand, the developed countries and particularly the USA may very well be able to afford these huge expenditures, but can South Asia continue to do so even at the quantum it does without impacting the future prospects of its teeming millions? The end of the Cold War did not see any let up in military spending. The slight drop seen in the mid-1990s was due to the collapse of the Warsaw Pact and disintegration of the USSR. Russia is back on

track now, getting rich on oil exports and its renewed interest in world affairs has begun to see commensurately rising military expenditures.

Table 1: World Military Expenditure, 1995-2004



Given below are two sets of data organised by SIPRI and the International Monetary Fund (IMF) respectively (Tables 2 and 3). Both indicate a high bias towards military expenditure when compared to expenditures on health and education. Whatever we may conclude from this, we must bear in mind that Asia and Oceania data includes Australian expenditures. Australia spends almost 4.6 per cent of its Gross National Product (GNP) on its military, which is the highest in the region. Its per capita military spending puts it right on top with the world’s top military spenders like the USA, UK, France, Germany, Japan and Canada. The advanced countries, however, are very niggardly when it comes to aid.

Table 2: Percentage of Gross Domestic Product on Public Expenditure by Country

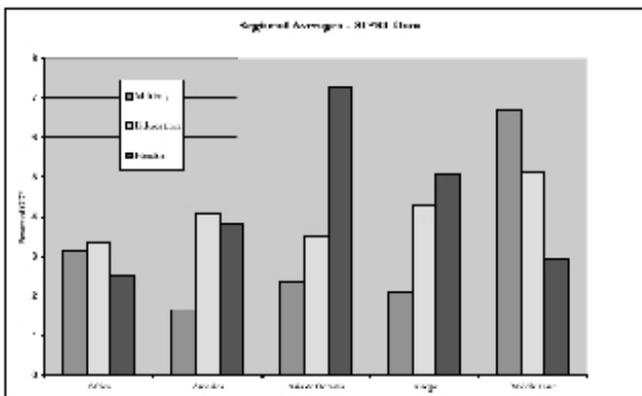


Table 3: Percentage of Gross Domestic Product on Public Expenditure by Country -IMF data

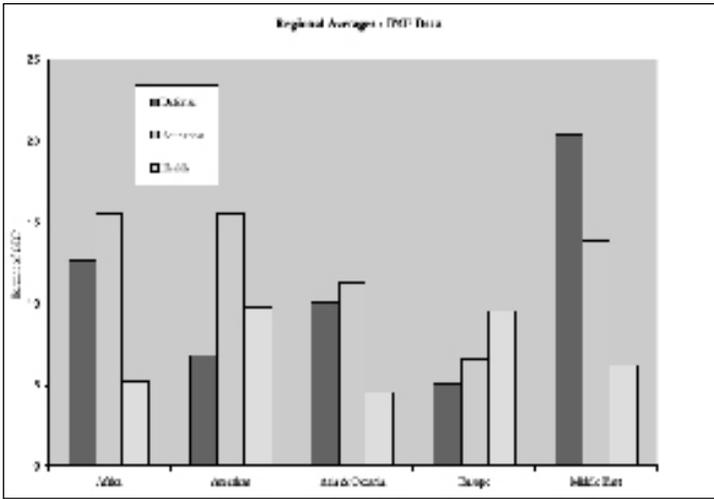
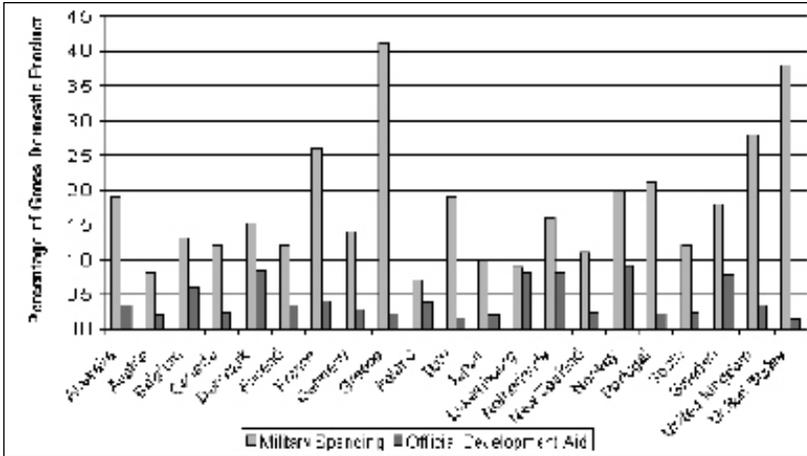


Table 4: Military Spending vs Official Development Aid as a Percentage of Gross Domestic Product 2003



Source – Global Policy Forum <http://www.globalpolicy.org/defense/militaryspending/03/03militaryspending.htm>
 Data from STPR and Organization for Economic Cooperation and Development

One thing is certain from these. However little by comparison South Asia may be spending on its militaries, it may still far too much given its well known and huge socio-economic problems.

Within South Asia, the big spender is obviously India, its biggest nation and greatest economy. Not only is India the biggest military spender in Asia, it is the world's greatest importer of weapons and last year accounted for 13.5 per cent of global imports. Yet there are many in India who believe that India punches well below its weight and needs to further strengthen itself. India's military expenditure has been rising steadily and has now reached almost \$28 billion. This figure, however, does not include its spending on its paramilitary forces which together number about a million. But we must bear in mind that defence expenditure in 2007 is

down to 14.06 per cent of the central government's annual budget and is well down from the high twenties of the previous decade. Obviously, when it can do so, India is spending less proportionately on defence. Nevertheless, the expenditures on health and education pale into insignificance compared to defence. In 2007, the defence budget has dropped below 2 per cent (1.99 per cent) of the GDP for the first time. This has caused a great deal of disquiet in India's strategic community which has been harking upon the 3 per cent of GDP envisaged by the national planners and leaders in the previous decades. It is also worth noting that at its current level of military spending, India is at less than half the levels of its perennial rivals, China and Pakistan. This declining trend has become more pronounced since 2004-05. It is also worthwhile to note that India's military spending as a proportion of GDP is now well below the global level.

Writing recently in *The Tribune*, a well regarded newspaper in north India, Lt Gen Vijay Oberoi (Retd) a highly respected strategic thinker and a former Vice Chief of the Indian Army writes: "No doubt, in fiscal terms, the allocations have crossed the one lakh mark, but the increase barely covers normal inflation and is way below 'military inflation', which is always exponentially higher than routine inflation. In simple terms, it means that while routine revenue expenditure on maintenance and replacement of existing stores and equipment, training, fuel, clothing and rations would get covered, the defence forces would be seriously handicapped in modernizing the forces, where the limited allocations for the capital budget, meant for new acquisitions, are grossly inadequate." The slowing rise of Indian military expenditures and its "inadequacy" in share of GDP terms with respect some other nations are well depicted in Figs 1 and 2 below.

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Fig 1

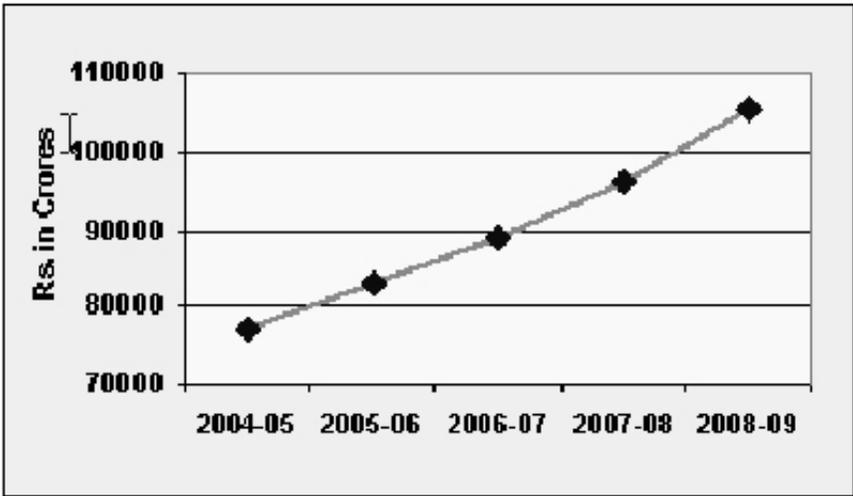
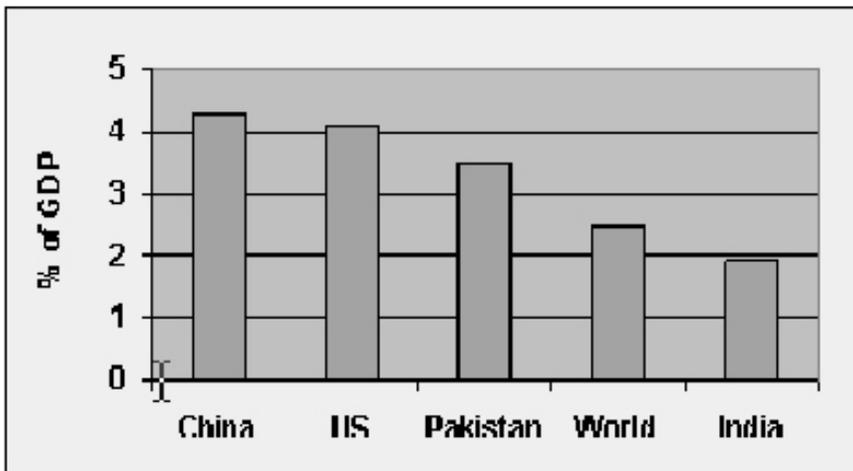


Fig 2



Military expenditures are an outcome of many factors. Some of these are: national notions about one's place in the world; neighbourhood situation; internal political dynamics; and assessment of long-term interests and perceptions of geo-political evolution; and, lastly, there is the internal security situation within a country.

National notions are seldom related to any real security threat. Take the UK, for instance. What plausible threats does that country face for it to maintain large and expensive military forces and a nuclear arsenal? Does it face a threat from France or Russia? Quite clearly, Britain's military posture is dependent on its notions of its place and role in world affairs, even if it be a trifle exaggerated. India too might be with a touch of somewhat grandiose national notions, given its recent economic trajectory. It is said that the late Shah of Iran had such an exaggerated notion about his country's place in the world that the only magazine he read seriously was the US military magazine *Aviation News and Space Technology* and often the US military-industrial complex was quite happy to encourage his interests as it helped lower hardware costs to them.

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On the other hand, India's or Pakistan's military expenditures depend on how they perceive the threats emanating from each other. They live in inimical neighbourhoods. India, for instance, has Pakistan and China to constantly contend with. Pakistan's military justify their expenditures based upon Indian budgets, India upon China's, and China upon some others, including the USA and Japan.

Often, the internal political dynamics will determine the role and place of the military in a nation's life. It is only logical to expect a military-centric view to prevail if a country's military has a major role in its government. Pakistan, for instance, cannot expect the military to accept anything less than it has so long been used to. Since the military is a significant and active player in Pakistani politics and government, a good deal of its expenditures may also owe to the military being able to realise a good part of its wish list of equipment, stores and amenities. Similarly, in China too, the military is an active part of government, unlike India where it is a mere agency well removed from policy-making.

In the last instance, one may want to think of the new Russian military expansion and postures arising from its fears of a tightening encirclement by NATO expansion eastwards and tendency to actively intervene in not just Europe but also in Asia, with or without formal UN sanction. Many Indian analysts view the US and NATO military involvement in Afghanistan with some concern and

often cite this as a reason for increased military preparations. Nepal and Sri Lanka are good instances of countries where military spending is driven by the internal security situation.

Unfortunately, military expenditures are often determined by worst case scenarios, however unlikely they may be. Thus, a port being built in Gwadar with Chinese aid and by Chinese contractors will be seen in India as a possible naval base meant to imperil its oil supply routes. What if... the argument will go and then threats will have to be addressed. Table 5 below compares military spending in South Asia and China in 2006.

Table 5

Country	Mil. Exp. in constant (2005) US \$million
China	49,500
India*	23,933
Pakistan	4,572
Bangladesh	692
Sri Lanka	616
Nepal	161

*includes expenditures on paramilitary forces such as BSF, ITBP, Assam Rifles

Quite clearly, these are relatively small amounts when compared with the GDPs of the countries. Sri Lanka and Nepal are the only countries in South Asia where military spending as a percentage of GDP has been rising. This is understandable as Nepal till quite recently had a full blown insurgency on its hands. Sri Lanka is still battling a well dug in and tenacious Liberation Tigers of Tamil Eelam (LTTE).

So is there a case for reduced military spending in South Asia? Of course, there will always be one as long as the region continues to be so excruciatingly poor. Even China, whose per capita GDP is twice that of India's now is still a relatively poor country. But is there any real possibility of reducing this spending any further? One must doubt this, given the set of circumstances the region finds itself in. On the other hand, there is a case for more dialogue between the South Asian countries. Each one is in some manner of difficulty where a neighbour can assist. India, for instance, can help the warring Sinhalese and Tamilians in Sri Lanka resume their interrupted dialogue. Bangladesh can help facilitate a dialogue between the insurgent groups holed up there and India. India and Pakistan can always seek to resume greater normalcy between them. Dialogue can only help reduce tensions. These dialogues can be facilitated within the South Asian Association for Regional Cooperation (SAARC) framework without

the involvement of extra-regional players.

Having said this, I will hazard that there is still much room for major reform. Defence spending is wrapped up in the cocoon of “national security,” making a detailed discussion on it often “not in the public interest”. Even Members of Parliament (MPs) in India’s otherwise vocal Parliament are routinely fobbed off with this response. This allows a good part of the military budget to get wasted without responsibility affixed.

A few examples will suffice to make this point. The Indian Ordnance Vehicle Factory (IOVF) in Jabalpur supplies the armed forces vehicles assembled from kits supplied by private sector manufacturers. The cost of the IOVF assembled trucks is much higher than that of those supplied by the private companies. But this practice continues as the IOVF is deemed as critical to national security. It is not as if Tata Motors or Ashok Leyland will stop supplying vehicles in times of conflict. So what does “critical to national” security mean? Similarly, over Rs. 14,000 crore has been expended on the development of the light combat aircraft (LCA). It is now almost 15 years behind schedule. It is expected to get set back even further and the delay will almost surely make it quite obsolete and of no interest to the Indian Air Force (IAF). But work continues. It is not that we have not had a similar experience before. The HF24 fighter programme of the 1960s suffered a similar fate. The IAF had to hastily procure aircraft from the former USSR to fill the gap. Earlier this year, the Indian Defence Ministry invited offers for 126 fighters that will cost India close to \$45 billion over the next few decades. So what happens to the LCA?

The Indian Army is manpower intensive. It may be that increased lethality with better equipment and training will actually reduce expenditure. These issues have never been examined by experts outside the military. This logic is applicable to the entire region.

Unlike many countries, India does not have a military that has a dominant role in government. In fact, the military is not deemed a “part of government” and in that sense has no role in framing security policy. This is an interesting situation that makes the military little more than an agency of the government like the railways. Sure, the military advises the civilian masters, but whether it is heard or not is another matter. Now this results in another institutional malady.

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Since the political and bureaucratic leadership is not fully informed or qualified, the military has to take recourse to worst case scenarios to reinforce its demands. This does not augur well for sound and plausible policy planning. This is an area that needs looking into. We saw in 1962 how a civilian leaderships woefully out of tune with the security environment and its military capability, led India into a disastrous war with China – the wounds of which are still healing. But oversight and control of the security establishment works well only when there is greater interaction between the

players and the higher level of government, properly equipped to perform its role. Institutional capacity building, therefore, is critical. This could be catalysed by outside government players like think-tanks.

India may not be in a situation like many developing countries where the military gets its way literally at bayonet point. Nevertheless, it is still a less than satisfactory situation, the continuation of which will only extract a toll on a poor nation.

Internal Security Scenario

The internal security situation in the entire region is far from tranquil. Each and every country in South Asia faces at least one major crisis. Many like India have multiple challenges to deal with. To complicate matters, the South Asian neighbours have not been averse to stoke the fires in the neighbour's yard when the opportunity presents itself. Long and generally undermanned and even unmanned boundaries give them many opportunities to be un-neighbourly. On the other hand, it must also be stated that the failure to govern wisely and equitably is the major cause of the alarming internal security situation in South Asia.

The resurgence of Islamic fundamentalism in the waning years of the Cold War and the entwining of the then prevalent superpower bloody-mindedness and religious extremists has resulted in a situation that has made good governance impossible in Afghanistan and Pakistan. The 1979 seizure of the holy mosque at Mecca and the subsequent torching of the US Embassy in Islamabad did not sound warning bells either in Washington or Riyadh or Islamabad. For America, embarrassing the then Soviet Union was paramount and its two client states

went along with it for their own reasons. It would seem that Marx was off the mark when he wrote that “religion is the opiate of the masses” for it is religion that has now fired the imagination of young people. The insatiable demand for opium derivatives like heroin, smack in the lucrative markets of the West, has made the prevalent version of jihad largely self-financed. This, of course, is the greatest legacy of the Central Intelligence Agency (CIA).

To compound matters, Pakistan has had a long tradition of military dominated government, sometimes elected but mostly selected by the general staff, which makes the system incompatible with any known notions of good and equitable governance. In the recent months, we have seen the installation of an elected government in that country and much depends now upon the sagacity of the new regime to pilot a course for Pakistan out of the current mess.

Nepal is undergoing a transition which, if it succeeds will bring new hope to its people. We will have to wait and watch.

Sri Lanka is caught in the throes of a deadly and brutal civil war. The greatest irony here is that Sri Lanka has the best indices of social and economic development in the region, and it was the political failure to share power equitably with a large minority that has taken it to the precipice. The model state has now become a model of how not to rule. At the time of writing, it would seem that the Sri Lankan military is now gaining the upper hand, but whether it will see the complete liquidation of the LTTE and Tamil aspirations is another matter. The transition of guerrilla armies into terrorist cells has been seen elsewhere before and there is no reason to believe that Sri Lanka will escape this likelihood. The only solution seems to be a meaningful devolution of power to the regions so that minority Tamil insecurities can be assuaged and aspirations realised.

Bangladesh is going through yet another transition. The no holds barred and unrelenting competition for power between the two dominant parties made the conduct of elections almost impossible. The army has assumed authority and we will have to wait and see when it will be able to return to the barracks.

As an Indian, I am also much more comfortable dealing with this. The administrative and bureaucratic templates in South Asia because of their common colonial legacy are largely alike and what applies to India generally applies to the other nations, save Afghanistan.

One of the most commonly accepted definitions of a failed state is that of a state whose central government is so weak and ineffective that it has little practical control over much of its territory. The term has been used most often to describe states like Somalia, Afghanistan and more recently Pakistan

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where authority is exercised by powers that lack any constitutional legitimacy and where governments are unable to exercise control over these powers. Indeed, India is no Somalia, Afghanistan or Pakistan. Yet, in recent times, India has been witness to growing violence which a disintegrating justice and police system is unable to control. Mob violence is on the rise in many parts of India. In Bihar, for instance, every other day, news reports tell us stories of people resorting to mob violence against petty criminals. There are many reasons for this rising crime but most important is the fact that the people have lost faith in the justice system. Long delays in court cases and low prosecution rates – according to one estimate, less than 10

per cent crimes end with convictions – have together served to rob people of any trust in the state to establish law and order and, as a result, they have increasingly taken to drawing on ‘private’ means of establishing order.

Naxal violence too is on the rise. According to newspaper reportage on the Naxal violence, the number of incidents of Naxal violence was 1,385 with as many as 418 civilians having been killed in 2007. Worse, violence is spreading all across India. In 2005, Naxal violence was reported from 509 police stations in 11 states. All this while, the government and security establishment continue to grapple with ways to tackle this violence – which has now spread to over half a dozen states across the country.

Despite these failings, India does relatively well when viewed from the perspective of the parameters that define a failed state. According to the recent failed states index, developed jointly by the Foreign Policy and the Fund for Peace, India ranks at a relatively respectable 110 out of 177 countries (the lower the rank, the more failed the state). Measured on the basis of social (mounting demographic pressures, massive refugee movement, chronic and sustained human fight), economic (uneven development, sharp economic decline), political (delegitimation of the state, suspension of the rule of law, security apparatus functioning as a state within a state, intervention of external political actors) indicators, India does all right. But what stands out (and as this discussion above clearly indicates) is her collective failure to provide public services. When

measured against “progressive deterioration of public services” (a key political indicator in the failed state index), India ranks worse than most countries lower than her on other indicators.

India’s failures are particularly glaring when compared with other developing countries — most crucially China — India’s much touted rival. As Table 6 below highlights, China is streets ahead of India in terms of its ability to provide basic amenities to its people.

Table 6: Comparison of India and China

Indicators	India	China
Population (2004) (in billion)	1.1	1.3
Population as a % of World	17.28	20.42
GDP (in \$ US billion)	793	2,264
GDP as a % of World	1.6	4.6
Per Capita GDP (in \$ US)	720	1,740
GNP in PPP (\$ billion)	2820	3950
Population Density (persons per sq. Km)	328	135
Life Expectancy at birth (years)	65.0	71.5
Birth Rate (per 1000)	24.0	12.0
Death Rate (per 1000)	8.0	6.0
Infant Mortality Rate (per 1000 live births)	63.0	30.0
Human Development Index	0.602	0.755
Rank in HDI of all countries	127	85
Gini Coefficient	32.5	44.7
Poverty (% of population below \$ US 1)	36.0	6.0
Literacy Rate (% of people aged 15 years and above)	61.0	90.9
Internet users per 1000 people	32.0	73.0
Personal Computers per 1000 people	12.0	41.0
TV Sets (% household)	37.0	91.0
Air Passengers carried ('000)	23,797.0	119,789.0
Motor Vehicles (per 1000 people)	11	15
Mobile phone subscribers (per 1,000 people)	116.4	287.0
Telephone Main Lines (per 1000 people)	41.0	241.0
Rail Route (Km)	63,221.0	61,015.0

Indicators	India	China
Road Network (Total Road Network, millions of Kms)	3.0	2.0
Paved Roads as a % of total roads	46	91
Electric power consumption (kWh per capita) (2003)	435.3	1378.5*
Time required to start a business (days)	89	48
Population with sustainable access to improved sanitation (%) 2002	30	44
Population with access to an improved water source (%) 2002	86	77
Public Expenditure on health as a % of GDP	0.9	1.9
Public Expenditure on education as a % of GDP	4.1	2.9

Source: World Development Indicators Database 2006, Human Development Report 2005, China and India: A Visual Essay, October 2005, Deutsche Bank Research

One of the most well acknowledged problems with India's democracy today is that the executive and legislature have ended up colluding. Political interference in bureaucratic activity is rampant. The most obvious manifestation of this is in the form of frequent transfers, arbitrary promotions and appointments made by political bosses. Take the example of Uttar Pradesh (UP), where close to 1,000 transfers were made over a period of a few years between 1996 and 1998. According to estimates, over half the corps of the Indian Administrative Service (IAS) officers were transferred within twelve months of posting. In such a situation, where are the incentives for the bureaucracy to function?

One impact of this politicisation is a collusion of interests, particularly at the lowest level of the system. Take the instance of education. A recent analysis of the political economy of education in UP reveals that teachers are strongly unionised and command a lot of political clout. Many teachers are active politicians themselves. It is estimated that the proportion of teachers elected to the Upper House in UP varies from 13 per cent to 22 per cent of the total members. In the Lower House, teachers accounted for 10.8 per cent of all elected Members of Legislative Assemblies (MLAs) in the 1993 election, and 8.7 per cent in the 1996 election. Their share of Cabinet posts was even higher at 16.3 per cent in 1991-92. This rather high representation of teachers in the UP politics persists till today. Mayawati, the current UP chief minister, was herself a teacher before she took the political plunge.

Given this scenario, it is hardly surprisingly, that policy-makers are reluctant to hold their teachers to account. Worse, in many instances, the policy-makers double up as teachers. What incentives would they have to hold their fellow colleagues accountable for their misgivings?

India operates on the basis of two parallel systems where political boundaries do not match administrative ones. So on an average, an MP's constituency covers 3-4 districts while an MLA's constituency covers part of an entire district. Worse, there is no synergy among the parliamentary, legislative and panchayat jurisdictions. An Assembly constituency is determined on a very random basis— a

revenue circle in one state, a mandala in another or a police thana limits in another. This results in constant overlap and chaos which contribute in no small measure to accountability failures.

The collusion between the legislature and executive ensures that incentives for monitoring the 'compact' remain weak. But even if a policy-maker were interested in monitoring the government's activities, the sheer size and scale of its operations makes such monitoring close to impossible. India today is composed of 35 states and union territories. UP, the largest of the Indian states, has a population of 167 million. In terms of sheer population, UP is bigger than Pakistan or Germany and France put together. If UP were to be a separate country, only China, the USA, Brazil and Indonesia would be bigger than it. Tamil Nadu, with a population of 62.2 million, is slightly bigger than Britain and Italy, while Andhra Pradesh at 76.4 million is about the same size as Germany and Vietnam. Bihar is bigger than Mexico and Maharashtra with 92.1 million has ten million more people than Germany. West Bengal is bigger than the Philippines which has a population of 77 million, while Madhya Pradesh with 81.2 million is bigger than all the countries in Southern Africa put together.

What does this mean from the point of view of public administration? Large populations imply large budgetary outlays – the UP government's budgetary provision for 2008-09 is Rs. 112,472.72 crore – centralised management of which is near impossible. In the current administrative system, the state government

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has the authority and responsibility to monitor the implementation of its various programmes. But given the sheer size of government, how realistic is it to expect a state government bureaucrat who is sitting in a state capital to manage and monitor such large sums of money. Such a centralised system has only contributed in making government distant and removed from its people. No bureaucrat sitting in the state capital (or district capital for that matter), could possibly have the ability or motivation to monitor activities in some remote village.

The district is the bedrock of the current administrative structure in India. The district emerged as the core of the Indian administrative structure during colonial rule. The British government carved out 400 districts across India and appointed Indian Civil Service officers as the executive head to administer the district. The main tasks assigned to the district collector were the collection of taxes and the maintenance of law and order.

Independent India inherited this system and left it practically untouched – except for the periodic addition of districts. We now have 568 districts in India. However, the scope of governance of the district has expanded beyond mere tax collection. The district collector is now responsible for the implementation of all developmental activities in the district.

With the growth in population, the size of districts too has increased. On average, districts in India have a population of about 2 million people. These are extremely large when compared with countries, regions, towns and cities across the world. New Zealand, for instance, has 3.6 million people, and Costa Rica 3.3 million. Many of the newly formed countries from the former Soviet Union are even smaller: Slovenia has 2 million people and Estonia, 1.5 million. Another interesting comparison is to counties in the USA which are responsible for the delivery of core services such as schooling and health. The median size of a county in the USA is only 22,000 and only 8 of more than 3,000 counties have a population of more than two million. A recent study found that less than 80 counties were larger than the smallest district in four states in India.

Simultaneously, budgetary outlays at the district level too have grown. The general trend towards centralisation has further exacerbated this problem with a large number of Central Social Services Agencies (CSSA) from New Delhi directly sending funds to the district. At the most recent count, the CSSA amounted to Rs. 395 billion for various social sector services. The bulk of this money is transferred directly to the district. Yet, the ability of the district collector to function effectively has weakened significantly. As mentioned earlier, political interference has reduced tenures of district

collectors to an average of seven months. Where then are the incentives for the district collector? Moreover, the district collector is usually very young—a typical district collector is in his or her mid-twenties or early thirties; this is the first major task assigned to an IAS officer who does not necessarily have the skills to negotiate the complex tasks required of a district collector. This also weakens their capacity to deal with political actors.

Efforts to redress these accountability failures through decentralisation of the government from the district down to the village level through the Panchayati Raj system have, thus far failed. State governments closely guard the powers and resources available to them and devolution to the Panchayati Raj Institutions (PRIs) is weak at best. As a result, the state government dominates which itself, as mentioned, is too far removed and too distanced from its people to be effective and accountable.

The failure to monitor governments is strongest at the lower end of the administrative system. In the top echelons, there still remains a strong relationship of accountability between the legislature and executive (of course, this sometimes colludes, as discussed earlier). For instance, secretaries of the Government of India report to their minister, chief secretaries in the state government report to their respective chief ministers and Assemblies, while secretaries report to their ministers and the chief ministers who, in turn, are accountable to their Assemblies. However, this breaks down at the district level. The sheer size and scale of district level administration is such that the district collector is accountable to no one. These relationships of accountability completely break down at the level of the frontline provider where for reasons discussed, monitoring is simply non-existent.

The Indian state's inability to discharge the most basic obligations to its citizens, even as it portrays itself as the next superpower, is indeed evidence enough to charge it with being a failed state from the perspective of its inability to deliver public services. The abject failure of the state to safeguard the well-being of its citizens is rooted in its political economy.