EDITOR'S NOTE

The selection and contract for the MMRCA (Medium Multi-Role Combat Aircraft) has eventually moved closer to the contract stage though there is many a slip between the cup and the lip. The publicly known information on the commercial bids indicates that the two aircraft down-selected—the 4-nation European consortium Cassidian's Eurofighter and the French Dassault's Rafale—are likely to carry costs within 5 percent of each other. But it is not clear whether this is for the unit cost of the aircraft or the life-cycle cost. Low unit costs do not necessarily translate into lower life-cycle costs even where the total life span is taken as equal. The evaluation process on this critical score is now going on and it is generally believed that the final decision and contract would be concluded by the end of this financial year.

On the other hand, what happens if there is a significant difference in life-cycle costs of the two down-selected aircraft? This may well require re-examining the whole process due to four reasons: (i) performance would remain very important but we should reach a situation where the best becomes the enemy of the good; (ii) affordability of defence systems in general and combat aircraft in particular, remains an important factor even where performance must be given the right of being most important. For a developing country like India, on the cusp of rising to greater power primarily on its economic performance, this remains important in view of the global economic pressures emanating from the US' and Europe's Euro-zone debt crises. This is already impacting negatively on the Indian

economic growth rate where a nearly 20 percent drop in the value of the rupee against the US dollar in one year is already visible; (iii) access to technology must remain a key objective when we buy high-value systems like combat aircraft, and this must be measured in terms of not only the specific technology for technology's sake, but for our ability to leverage and harness it for future utilisation; (iv) sustainability would remain very important when the selected aircraft enters service. And the question must be asked: sustainability at what cost? Simple arithmetic would show that a sustained 75 percent serviceability produces twice the number of aircraft for operational employment (the real purpose of acquiring them in the first place) with an average of 35 percent serviceability, not counting the costs on cannibalising, etc.

In the ultimate analysis, credible affordable systems for defence are crucial for a country like ours. Most countries have acquired higher technology weapons by reducing the quantum of manpower and its costs. India is unique in that of all the possible manpower employment models, we have adopted the most inefficient since the 1970s. We all watch China's growth and military modernisation with great interest. But most of us do not look closely at the drastic reduction in military manpower that it has achieved in order to be able to acquire a fourth generation air force and experiment at the edge of fifth generation systems.