



[Home](#) > India's Strategic Win

Tuesday, November 1, 2016

India's Strategic Win

The Upsides of the Lockheed Martin Deal to Produce F-16s In India

C. Christine Fair and Dan Shalmon

C. CHRISTINE FAIR ^[1] is an Associate Professor in the Security Studies Program at Georgetown University's Edmund A. Walsh School of Foreign Service and a Senior Fellow at the [Institute for Defence Studies and Analyses](#) ^[2]. She is the author, most recently, of *[Fighting to the End: The Pakistan Army's Way of War](#)* ^[3].

DAN SHALMON ^[4] is the External Engagement Coordinator at the [Cline Center for Democracy](#) ^[5] at the [University of Illinois at Urbane-Champaign](#). ^[6]

In July, Lockheed Martin announced that it would manufacture the most advanced version of the F-16 fighter aircraft (the Block 70/72) exclusively in India as part of Prime Minister Narendra Modi's "[made in India](#)" ^[7] program. Lockheed Martin will likely co-produce the plane with [Tata Advanced Systems Ltd](#) ^[8], which has a standing partnership with Lockheed Martin to produce other airframes such as the C-130 cargo plane and the [Sikorsky S-92 helicopter](#) ^[9]. The announcement was quickly derided by defense wonks who see the F-16 as an outdated workhorse that is used by India's adversary, Pakistan. However, the deal could be truly transformative, turning India into an exporter of a fighter aircraft [with a truly global market](#) ^[10].

The F-16 has many detractors in India. There are those who argue that the [United States cannot be trusted](#) ^[11], implying that Washington will block the collaboration at some point in the future when India has grown reliant on the system. After all, this is what happened to Pakistan in 1990. Others allege that the true motivation for the deal is greed: Lockheed Martin simply wants to take advantage of a recent surge in [tensions between Pakistan and India](#) ^[12] to sell different versions of the same system to both. And that presents another problem: some reject the plane on the facile grounds that India would not want to fight Pakistan using the same platform as its adversary would use. This concern reveals ignorance of the different versions of the airframe and the avionics, sensors, and munitions packages involved.

Even more sinister, some in India simply cannot fathom that Washington wants India to be a world-class power because they believe (without evidence) that the United States seeks to retain "[Pakistan as a regional balancer against India](#)" ^[12]. For these doubters, there simply must be a negative explanation for the deal, even if they do not know what it is. Perhaps the arrangement is an effort to dump an [aged, unwanted platform onto India](#) ^[13] and stifle India's efforts to acquire a fifth-generation aircraft.

More serious critiques stem from the Indian military aviation community's belief that India needs a two-engine aircraft to provide acceleration and air dominance in anticipation of a "dogfight" with the adversary; the F-16 has a single engine. Beyond ignoring the F-16's [76:1 air-to-air win:loss ratio](#) ^[14], this view focuses excessively on a tactic that is becoming ever-more irrelevant and which India's Su-30s and Rafales already execute well. India's multirole aircraft must be reliable, sophisticated, and flexible enough to fly large numbers of strike and patrol sorties in limited warfare and high-threat environments—and [the F-16V can do this cheaply enough](#) ^[15] to shore up India's [collapsing force structure](#) ^[16].

The F-16 detractors' views have varying degrees of validity, but they all miss a larger and more important aspect of this deal: through it, India will become an exporter of a highly lethal fighter platform with a massive extant global market. No other [aircraft India was considering](#) ^[17] offers this enormous opportunity. If India plays its cards correctly, it could have a veto on sales of the plane to countries that undermine India's interests—such as Pakistan.

Although the technical merits of the F-16 are comparable to those of other aircraft on offer, this scheme is unique in that it will afford India a leadership position in an established long-term supply chain. The market for spare parts and upgrade for the F-16 is larger than for other aircrafts simply because [this plane makes up 15 percent of the world's total military aircraft inventory](#) ^[18]. Because most of the world lags a generation behind the United States and the Indian Air Force, there will certainly be a multibillion-dollar market for F-16 maintenance, repair, and overhaul [for decades](#) ^[19] after the F-35 fully supersedes its predecessor in the West.

India might be able to use its market dominance as a [springboard](#) ^[20] for additional deals with U.S.-supplied client states and to participate in the development of innovative technologies for the next generation of aircraft. India, in that case, would skip from being a so-called price taker for next-generation aircraft to being a price setter.

Successful coproduction, meanwhile, will sow the seeds for a new set of indigenous businesses and labor markets. To be sure, at first, India will require access to external technology, money, and human capital to complete the manufacturing. But both the external investor—Lockheed Martin—and the local recipient (most likely Tata) stand to benefit from the capacity building that will follow. The result could be a vast network of contractors and subcontractors along with research centers and spinoffs that these businesses can create. That could spur technologically savvy expats to [return to or invest in](#) ^[21] their homeland.

The best contemporary example of a technology transfer in aerospace becoming a springboard for economic development is what occurred in [China](#) ^[22]. In the 1980s, China's aviation industry initiated small-scale joint ventures with Western firms and then gradually worked its way up the value chain. By the early 2000s, all the makers of top-tier engines and airframes, including GE, Rolls Royce, Boeing, and Pratt and Whitney, had joint ventures in China. Not coincidentally, as China's defense spending skyrocketed in the early 2000s, its arms imports declined. In that same period, India's [rose](#) ^[23]. China's newly acquired expertise in computer-aided manufacturing dramatically [accelerated](#) ^[24] the production of its first fourth-generation aircraft, the JH-7, J-10, and FC-1. The latter (now branded 'JF-17') has become the [backbone](#) ^[25] of the Pakistani Air Force.

Distrust of foreign technology suppliers is not a good rationale for rejecting capacity building joint ventures in favor of import purchases. Even Japan—by far the most successful role model for autonomy in aerospace engineering—[built its capacity for military-industrial production by coproducing more than two dozen weapons systems](#) ^[26] with the United States.

With the F-16 deal, India can make up for lost time. It need not surreptitiously adapt Western civilian technology to military applications as China has in [aerospace and shipbuilding](#) ^[27], or follow the Japanese model of incremental gains. In one fell swoop, India would leap virtually overnight into the top tier of military manufacturers worldwide and establish itself as a pivotal player for at least the next two decades.

Put another way, this is not an aircraft buy: it is an industrial transformation on a massive scale and a major strategic win for India.

Copyright © 2016 by the Council on Foreign Relations, Inc.

All rights reserved. To request permission to distribute or reprint this article, please fill out and submit a [Permissions Request Form](#). If you plan to use this article in a coursepack or academic website, visit [Copyright Clearance Center](#) to clear permission.

Source URL: <https://www.foreignaffairs.com/articles/india/2016-11-01/indias-strategic-win>

Links

- [1] <http://christinefair.net/>
- [2] <http://www.idsa.in/>
- [3] <http://www.amazon.in/Fighting-End-Pakistan-Armys-Way/dp/0199892709>
- [4] <http://illinois.academia.edu/DanShalmon>
- [5] <http://www.clinecenter.illinois.edu/>
- [6] <http://illinois.edu/>
- [7] <http://www.thehindubusinessline.com/economy/in-exclusive-deal-india-to-get-most-advanced-f16-fighter-jets-by-201920/article8835851.ece>
- [8] <http://www.tataadvancedsystems.com/static.php?id=34>
- [9] <http://www.lockheedmartin.com/us/who-we-are/global/india.html>
- [10] <http://thediplomat.com/2016/07/why-india-should-consider-lockheed-martins-f-16-offer/>
- [11] <http://timesofindia.indiatimes.com/home/sunday-times/all-that-matters/In-America-we-trust-Not-very-likely/articleshow/7746283.cms>
- [12] <http://www.firstpost.com/world/why-is-us-giving-pakistan-weapons-to-be-used-against-india-1042879.html>
- [13] <http://ajaiashukla.blogspot.in/2016/08/gripen-f-16-compete-in-mmrc-re-run.html>
- [14] <http://www.migflug.com/jetflights/the-combat-statistics-for-all-the-aircraft-currently-in-use.html>
- [15] <http://carnegieendowment.org/files/dogfight.pdf>
- [16] <http://www.thehindu.com/news/national/indian-air-force-facing-capacity-crisis-us-expert/article8405010.ece>
- [17] http://defense-update.com/20150802_mmrc-3.html
- [18] <http://www.fool.com/investing/general/2015/06/07/fighter-jet-worlds-top-10-best-sellers.aspx>
- [19] <http://nationalinterest.org/blog/the-buzz/americas-lethal-f-16-fighter-jet-could-fly-92-years-theory-14290>
- [20] <http://www.mckinsey.com/industries/public-sector/our-insights/defense-offsets-from-contractual-burden-to-competitive-weapon>
- [21] http://www.luys.am/attachments/articles/Brain-Circulation_BROOKINGS-REVIEW_2002_en.pdf
- [22] https://www.researchgate.net/publication/262607426_Military_Modernization_in_Chinese_Technical_Progress_and_Industrial_Innovation
- [23] http://india.blogs.nytimes.com/2012/03/21/why-has-india-become-the-worlds-top-arms-buyer/?_r=0
- [24] https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&cad=rja&uact=8&ved=0ahUKEwie_Jaa44bQAhWFeSYKHWLyDD4QFgg2MAM&url=http%3A%2F%2F1e89-412c-95c5-2cd530cb8033%2Fen%2FChapter%2B12.pdf&usg=AFQjCNHfoMpaj7KRQ6fAorffEriDjOYHA&sig2=FATi2zD7jUVdHNHtUCO5rA
- [25] <http://nationalinterest.org/feature/if-pakistan-india-clash-5-pakistani-weapons-war-india-should-11140>
- [26] <https://www.nap.edu/read/5902/chapter/16#144>
- [27] <http://www.tandfonline.com/doi/abs/10.1080/01402390.2016.1208612>