

PAKISTAN'S NATIONAL SECURITY CHALLENGES AND ECONOMIC GROWTH: IMPLICATIONS FOR DEFENCE SYSTEM

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Abstract

This paper explores the emerging challenges confronting conventional security paradigms, with a primary focus on the threats posed to the Indian Ocean Region (IOR) through an analytical framework and advancements in military technology. The manuscript examines the intricate relationship between remunerative financial stability and the state's internal defence. The declining financial conditions pose a significant threat to various facets of societal functioning, and the reliance of national security on a robust economy is observable in the current geopolitical landscape. National security is a fundamental prerequisite for preserving state sovereignty, facilitated by strategically utilising economic resources, diplomatic engagement, military power projection, and political influence. The notion of national security is inherently dynamic, continually evolving in response to a shifting global environment. The fundamental state absorption is impossible to safeguard solely by the defence system's might, particularly when economic development is overlooked. This paper scrutinises Pakistan's deterrence strategy alongside the most significant conventional security threat posed by India, utilising a framework focused on the evolution of armament systems regarding catastrophic capabilities and enhancements in range, unmanned aerial vehicles, satellite surveillance, and other pertinent technologies. This paper examines the relationship between military fiscal allocations and economic development, considering both the presence and absence of armed conflicts (internal and external), with a focus on Pakistan and India. Ultimately, the paper examines potential strategies to address emerging security threats.

Keywords: Security, Strategy, Pakistan, War Zone, Weapon Technology, Economic Growth, Nuclear Deterrence, Superpowers.

Introduction

Security apprehensions are exacerbating in Pakistan and are analysed alongside international cross-border conflicts, international ethos etiquette strife, and the ongoing conflict against radicalised militant factions throughout the nation, including the Tehrik-i-Taliban Pakistan (TTP) terrorist organisation, as well as the repercussions stemming from prolonged asymmetrical warfare in Afghanistan.

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In national security and development, security represents a highly contentious yet essential foundation that continues to illustrate the socialist economic framework that characterises modern global dynamics within the purview of national security and development. The most prominent patterns influencing national security concerns can be discerned following a comprehensive assessment of various interrelated factors. The conceptualisation of security within the South Asian states is influenced, directly and indirectly. The security expenditures of Pakistan, China, and India, as well as the enhancements to their armed forces, and the defense strategies and doctrines of various nations, extend to their immediate geographic area.¹

The state's primary objective is to effectively protect and secure its territorial boundaries. Specifically for Pakistan, the emergence of violent non-state actors who leverage radical ideologies for political aims exacerbates the challenge of fulfilling national security objectives. These entities are testing state security through their multifaceted impacts. The geographical and strategic developments surrounding Pakistan render the nation particularly susceptible to the ramifications of these external influences. A prospective analysis suggests that the political dynamics of neighbouring countries are jeopardizing national security and broader developmental territorial prospects.² The dominant factors are the defence capabilities, geographical expanse, and demographic strength of both the countries, i.e., China and India. The preeminent topographical Indian stature, characterised by its shared borders with most South Asian nations (except Afghanistan), intensifies its aspirations to be recognised as a principal power or the "big brother" within the region.³ Three primary trends are shaping the discourse surrounding Pakistan's defence apparatus. Firstly, from the Western to the Eastern and the Northern to the Southern, dynamics shifting into domination dynamics have catalyzed the emergence of a multipolar global political landscape. Second, the rapid pace of international political order and technological advancements facilitates the free movement of goods, capital, and people, while simultaneously uniting those who divide populations. Third, the proliferation of individual and organisational insurgent terrorist groups, who exploit instruments of potential harm and coercion for geopolitical achievements, presents significant challenges to the state's defence. All those conflicts challenge the state's defence in various ways. Given its strategically critical location, Pakistan is particularly vulnerable to developments along its eastern and western borders, which are closely intertwined with global dynamics.

On a domestic scale, influenced by regional security dilemmas, internal security dynamics are poised to originate principal solicitousness. Ambulation underscores the increasingly vital need for formulating a national security policy that is supported and endorsed by all relevant stakeholders. The state must scrupulously execute this prerequisite. According to S. Saeed, the rivalry between India and Pakistan has been shaped by colonial history, observable ethnic and organisational resemblances, and potential force determinants remain predominantly influenced by animosity, a confidence deficit, disputes, and warfare.

The pervasive baggy and saggy defence position, and dubious to others, persists in maintaining the South Asian region as a 'nuclearization hot spot'. Consequently, serenity, collaboration, and financial partnerships continue to elude realisation.⁴ Since independence, Pakistan's defence policy and its military expenditures have predominantly centered on the perceived threat from India. Conversely, India has attributed the initiation of both ubiquitous and nuclearization in the Asian region to China's actions.

In defence, quagmire and prevailing mistrust, coupled with perceived threats, fueled the relentless armament competition within the subcontinent, with incarceration in a paradigm of apparatus diplopia that necessitates conventional armed forces depictions and strategies for ensuring state defence. Consequently, expenditures on the armed forces and budgets allocated to their development, as well as those on military factories, have escalated significantly in the modern era. In the 21st century, India's defence expenditure substantially exceeded that of Pakistan. Indian financial burgeoning enabled an increase in defence spending in abundance. India is undertaking a substantial procurement of weaponry and defense equipment, with reported expenditures ranging between US\$100 billion and US\$150 billion from 2012 to 2021.⁵ This study examines Pakistan's security challenges and opportunities, highlighting critical perspectives and recommendations to strengthen national and international territorial integrity. The preliminary evaluation of the defensive mise-en-scene suggests conflicts but fortuities, viewed throughout the historical lens, that enhance enduring security.

It is posited that a collective resolve imbued with optimism exists for the advancement and betterment of the nation today. In this context, leveraging plausible probabilities, including the One Belt and One Road initiative, particularly the CPEC, presents numerous conveniences for enhancing Pakistan's leading and structural capabilities, with potentially linked benefits for its defence. Pakistan confronts significant national security challenges, mainly due to a fragile economy, pervasive corruption, rapid population growth, and substantial national and external debt, with a staggering population of over 241.5 million, of which the youth represent 63%, making Pakistan the fifth youngest nation globally. It is positioned 150th among 189 nations on the HDI, hosts the third largest demographic of exploited children under the age of five years old, occupies the 77th rank out of 109 countries in the FSI, and retains a significant 44% of children who are excluded from educational institutions.⁶ This research aims to conduct a rigorous analysis of the impact of military expenditure on national economic growth. Furthermore, an initiative will be undertaken to identify the adverse consequences of military spending and investigate potential strategies for mitigation. The inquiry will also assess the extent to which military expenditures can be leveraged to promote Pakistan's economic development.

Threatful History of Neighbourhood

Since its independence, Pakistan has faced socioeconomic challenges stemming from the unequal distribution of resources, which has been exacerbated by persistent geopolitical instability. The threats posed by its eastern neighbour, India, primarily due to the conflicting issues stemming from the subcontinent's partition, specifically the Kashmir conflict, have severely hampered its socioeconomic progress by necessitating the diversion of resources towards bolstering national security. The Kashmir dispute remains a persistent issue, consistently drawing the attention of the UNO and the global community, such as a salient model that denies the right to self-determination. To date, the resolve of the Kashmiri populace remains steadfast, with their aspirations for independence unyielding.

Additionally, developments in neighboring Iran, Afghanistan, and China continue to exert considerable influence on the subcontinent. Such dynamics render this region, particularly the adversarial relationship between Pakistan and India, increasingly precarious, as both nations remain engaged in a perpetual process of augmenting and refining their defence capabilities to enhance their respective traditional security paradigms. In the light of transformations occurring within the global and regional geopolitical and geoeconomic milieu, Pakistan's foreign policy exhibits a degree of equilibrium.

Pakistan and India both share a persistent antagonism that is rooted in three primary issues: territorial disputes, particularly Kashmir; shared challenges exacerbated by demographic pressures; and the escalating militarization driven by both the Bharatiya Janata Party (BJP) and advancements in missile technology and nuclear armament. This situation poses a grave threat to regional stability, as exemplified by the Mian Channu incident, when India accidentally fired a BrahMos missile in the district of Khanewal, Pakistan, on 09 March 2022. Throughout the past year, numerous confrontations have occurred along the border between the two sides.

Modern Defence Technology and Security Strategy

South Asia has evolved into a nexus of economic and international transformation. Nearly half of global finance is underpinned by the financial might of the US and China, that is vying for their spheres of influence within South Asia. Each nation has a unique economic system, geopolitical framework, and geostrategic context. The Silk Road, the CPEC, and the China & Myanmar Economic Corridor (CMEC) are notable and successful models in the region, with prominence for Pakistan. Conversely, the collaborative alliance between the United Indian government and the USA indicates strategic maneuvering in the geopolitical landscape. Not too long ago, Pakistan was regarded as a favoured ally of the US, receiving an array of technologically sophisticated fighter jets, machinery, and various military apparatus during the Cold War era.

This technological evolution within the geopolitical landscape of the subcontinent, characterised by Pakistan's role as a deterrent and India's position as the aggressor, could potentially ignite a competitive dynamic between China and the US, which may yield significant repercussions, including the proliferation of advanced nuclear technologies within both Pakistan and India. The recent occurrence of an Indian supersonic missile landing in Mian Channu underscores the precarious situation, suggesting that even a minor incident could radicalise the already volatile region, where two nuclear-armed adversaries reside near the ongoing Russia-Ukraine conflict. This missile incident has revealed vulnerabilities or lapses within the Indian defence framework.⁷ The incident mentioned above serves as a significant cautionary narrative for both India and Pakistan concerning the overarching safety of a nuclear-capable South Asia.

Conversely, Pakistan's acquisition of the latest J-10C fighter jets is a strategic maneuver aimed at countering perceived threats from India. It serves as a balancing act against India's Rafale jets, illustrating the ongoing advancements in military and security technologies among states with limited economic resources yet substantial nuclear capabilities. Pakistan's regional endeavours to assert control are a source of trepidation and merit concern. The strategic objectives and military relations between South Asia's principal nations, namely Pakistan and India, contribute to a milieu of instability and a relentless pursuit of dominance within each nation's traditional security framework, driven by existing asymmetries. Such dynamics often culminate in attempts to exert control that are inherently unstable and fraught with peril.⁸ Within India, a notable Hindu-Muslim rivalry exists.

This phenomenon has contributed to the establishment of a fabricated reality. Between 1994 and 2000, diplomatic relations between the two nations were severed. Notwithstanding the progressive Gujral doctrine and India's diplomatic overtures, both parties became embroiled in a transient border skirmish in the Kargil region of Kashmir during the summer of 1999, which was subsequently repeated in the spring of 2002 when India reacted to a sequence of terrorist incidents it attributed to Pakistan, inciting a retaliatory stance from Pakistan. The protracted conflict appeared to have no foreseeable resolution. It fell short of escalating into a full-scale war. Conversely, there were elevated diplomatic exchanges of animosity and dialogue alongside a more consistent capacity for collaboration on environmental concerns and the sharing of Indus waters.⁹ As early as the 1980s, there was a prevailing consensus that both nations possessed nuclear arsenals that were operationally ready or could acquire functional nuclear weaponry in a relatively brief timeframe.

Regional Security and Nuclearisation in South Asia

The proponents of nuclear optimism maintained that nuclear armaments would bring about stability and alter the security dynamics between India and Pakistan. Nonetheless, to their dismay, nuclear armaments did not prevent the two adversaries from resorting to military confrontations.

Despite their nuclear capabilities, Pakistan and India engaged in a limited military conflict, known as the Kargil War, which endured for several weeks in 1999. The nuclear capability did not dissuade Pakistan from breaching the contested border, nor did it impede India from threatening a horizontal escalation across the international boundary.¹⁰ The Kargil War highlighted the limitations of nuclear armaments in maintaining peace and stability at lower levels of conventional warfare. It accentuated the perils associated with both inadvertent and intentional failures of nuclear deterrence in the context of escalating conventional conflicts.

The milieu in post-nuclear South Asia can be likened to the initial nuclear stalemate that existed between the US and the USSR. Both factions acknowledged the severe ramifications of a confrontation involving nuclear capabilities, which prompted them to make substantial investments in their conventional military forces. During the 1960s, the United States increasingly relied on its conventional military capabilities to avert hostilities with the Soviet Union.¹¹ In the South Asian context, following the overt acquisition of nuclear capabilities, the notion of 'negative peace' became entrenched, effectively obstructing the likelihood of an all-out war. Simultaneously, the two adversaries commenced limited confrontations under the prevailing nuclear conditions.¹² The Indian Ocean, from a geostrategic perspective, represents one of the most scrutinized areas on the global map. It is the third-largest maritime division, characterised by strategic Sea Lanes of Communication connecting the Middle Eastern, African, and South Asian regions to European, East Asian, and US regions. Approximately 80% of international energy trade passes through strategic bottlenecks within this geographic area. The Indian Ocean encompasses four significant naval chokepoints: the Strait of Malacca, the Strait of Hormuz, the Bab el-Mandeb Strait, and the Mozambique Channel.¹³

Global powers have historically sought to influence the region through various geopolitical frameworks. From the Medieval era involving France, Prussia, and the United Kingdom, through the Cold War era, which was dominated by the United States and the Soviet Union, to the post-Cold War era, characterized by the US and China. The Indian Ocean is a crucial geostrategic corridor for China's economic and military ascendance. The US and Chinese regions are recognised as advanced nuclear technological states, with concerns in Washington regarding China's potential destabilising effect on expanding its influence in global areas.¹⁴ China supplied Pakistan with contemporary armaments, including warships, military aircraft, short-range missiles, and diesel-powered submarines, to counter India's regional ambitions. Furthermore, Pakistan has received Wing Loong II multirole drones from China, which are capable of deploying air-launched missiles along with laser-guided munitions. China has also extended technical assistance to Pakistan's missile development initiatives, aimed at mitigating India's missile advancements. The monitoring infrastructure constitutes a critical component that facilitates the progression of Pakistan's missile development program. Pakistan has additionally procured optical tracking and measurement systems from China.

This support from China is poised to enhance Pakistan's missile production capabilities, thereby altering the balance of power regarding India, while aiding Pakistan in surveilling India's space defense initiatives, in contrast to India's Pacific strategy.

In excess to maintaining the balance of power, Pakistan has significantly bolstered its naval nuclear capabilities due to ongoing support and technology transfers to Islamabad. The Babur-3 SLCM, a submarine-launched cruise missile with nuclear capability, has been successfully tested by Pakistan.¹⁵ With the assistance of the AGOSTA 90 B electric-diesel submarine, the operational status of this missile has been validated. These advancements have contributed to the evolution of Pakistan's naval nuclear force structure.¹⁶ As Pakistan undertakes the development of a submarine-based nuclear deterrent, there are unequivocal indications that the naval forces of Pakistan will operate under the command and control (C2) of the Pakistani state. Consequently, a series of inquiries has arisen concerning Pakistan's capacity to execute Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) operations safely and effectively. Before imposing limitations on the adverse progression of weaponry, it is imperative to ascertain whether the missile can engage the Agosta Submarine.

Power Equilibrium in South Asia

India perceives Pakistan's shift in alliances from Washington to Beijing as a combined threat from Pakistan and China, consequently strengthening India's relations with the US. Conflicting mutual interests could undermine the approach to security and peace. The presence of nuclear armaments within the region already constitutes a significant threat to regional security, and any further advancements in this domain could yield dire consequences. The development of nuclear submarines and the K-4 SLBM, a nuclear-capable technology that functions in conjunction with nuclear submarines, will further exacerbate regional instability and conflict.¹⁷ The enhancement of sea-based precision and the augmentation of operational capabilities will be realised through the Indian ballistic missile submarine (SSBN). In addition to ensuring a credible deterrent against China, this development will disrupt the existing balance of power. Conversely, this action will constitute an unbalancing maneuver for Pakistan. Within this regional context, Pakistan serves as a deterrent to India, while India acts as a deterrent to China. All nuclear-armed states and their adversaries engage in a precarious game of nuclear bluffing that could culminate in catastrophic outcomes.

The US does not perceive India as a security risk. The Clinton and Bush administrations included New Delhi in a "Show of Democracies" regarding India as a pivotal ally or partner.¹⁸ Maritime engagement has been incorporated into various issues. The maritime doctrine was first articulated in 2004. However, a comprehensive maritime military doctrine was fully articulated in 2007.

The US directive towards South Asia and the Indian Ocean represents an evolution of an Asia Pacific strategy rooted in over seventy years of American commitment and aspirations in East Asia. The Indo-Pacific Initiative, a straightforward extension of the pivot towards Asia, was launched in 2011. This initiative is the most recent manifestation of this strategic shift. A significant transformation has occurred, transitioning from a zone of peace to a principal hotspot of nuclear threat among the triangular nuclear states of China, Pakistan, and India. Consequently, India is pursuing collaboration with the US. This partnership aims to acquire advanced weapon technology and military aircraft that will serve as a protective barrier along the Sino-Pakistan border.

The US is poised to transfer Anti-Submarine Warfare (ASW) technologies and strategies, which are critical components of weapons technology, to safeguard India for its maritime strategy in the IOR. The US and India share a long-term naval partnership that is anticipated to culminate in a joint ASW capability. The Asia-Pacific region is undergoing significant transformation. IOR integrity is contingent upon whether the US and India opt to maintain the ocean as a free and peaceful space or allow it to devolve into another nuclear flashpoint.¹⁹ India's defence mechanism has undertaken numerous cargo missions on behalf of the US. Furthermore, India has inaugurated its naval command, which is presently positioned on the Andaman and Nicobar Islands, located merely 60 miles from the Strait of Malacca.

2007 witnessed a notable escalation in collaborative military operations between the Indian Armed Forces and the US military. The MALABAR exercise emerged as one of the most significant military drills during this period. It constituted a larger drill at the global level, encompassing circa 20,000 personnel and 150 heavy aircraft, marking it as one of the most extensive military exercises globally.²⁰ This particular rationale underpinned the conduct of such exercises in the region: to uphold the balance of power from an Indian standpoint, whereas, from Pakistan's perspective, these actions and initiatives disrupt the equilibrium of power in the area. The Indian military presence in South Asia is the most substantial and ranks third overall, following Japan and China, positioning it as the transcendent maritime force at the global level. Additionally, the Indian government has been allocating investments to enhance its long-term capabilities and potential. INS Vikramaditya represents the Indian Navy's second-largest vessel. This ship can project force in the Indian Ocean and its adjacent areas. In addition to its terrestrial and aerial capabilities, the construction of a range of boats has also augmented India's capacity.

In 2013, India's first indigenous warship, the aircraft carrier INS Vikrant, was assembled. The ongoing advancements in technology and the precision-based operational presence in the region will be further enhanced by deploying an advanced technology vessel. This development is compelling Pakistan to augment its naval capabilities, as failure to do so may once again disrupt the balance of power.²¹

The government of India has judiciously taken the time to fortify its links with the US government to enhance its security apparatus, drawing upon the extensive, multi-year experience associated with India's endeavors to procure additional warfighters. Among the region's two visionary leaders, there is a pronounced preference for security considerations over economic factors. The US must maintain a strategic focal point in the Indian Pacific region that sheds light on India's economic ascendancy.

Most scholars articulate power as the capacity to shape etiquette with different nations in alignment with its primary intention.²² The three dimensions of state power encompass "capabilities or prospects, lethal domination; transformation efficacy throughout the territorial integrity developments; and trend patterns of domination fallout." Traditionally, national power has been equated with a nation's military strength; however, contemporary theorists contend that "national power is contextual, as it can only be assessed concerning all elements of power vis-à-vis another actor".²³

Economic Growth Implications on Defence System

The concept of "power potential" is inherently subjective, and an assessment of India's power potential based exclusively on its geographical size is inadequate. Consequently, a comparative analysis has been conducted between India's potential power and China and Pakistan, elucidating India's actual standing within the regional context. The inclusion of China in this comparative framework serves primarily to contextualize India's power potential. A pertinent example is presented to elucidate the significance of CNP factors and their respective sub-factors. Human capital, technological innovation, and learning capacity represent just a subset of the advantages of enhanced economic activity. The realisation of these factors is imperative for economic growth to transpire. For instance, security and human capital will underpin sustained economic growth. At the same time, acquiring knowledge and information will foster economic development, ultimately culminating in technological progress and an additional layer of security for a nation. This principle is universally applicable to all states. As a nation attains greater economic stability, its security, military capabilities, and technological advancements will likely escalate, potentially leading to an imbalance within the region. The dynamic between China, India, and Pakistan exemplifies this phenomenon.

Whenever China makes advancements in its technological capabilities, particularly in artificial intelligence and machine learning, and incorporates them into its defence systems, India perceives this as a threat and categorizes China as an adversary. In response to this perceived threat, India has accelerated its defence advancements to function as a deterrent, resulting in a reciprocal dynamic where Pakistan has designated India as an adversary within the regional context. Consequently, Pakistan has enhanced its defence capabilities to counter India's perceived aggressive posture in the region.

While India remains a primary threat to Pakistan's security, other neighbouring nations also contribute to a challenging environment for policymakers. Pakistan is in the process of recovering from an extended struggle against internal threats. This conflict has exacted a substantial toll on the nation, both in terms of human and economic costs. Additionally, the complications arising from the Afghan situation, characterised by significant Indian involvement, continue to present formidable challenges at Pakistan's vulnerable western borders. To the West, Iran is under considerable strain due to the pressures exerted by the US government under Trump's leadership, which is confronted with punitive measures that have significantly undermined its financial stability. Trump's strategic approach towards the two subcontinental nations embodies a transactional worldview predicated upon understanding the strategic utility and constraints that govern US-Pakistan and US-India relations. The significance of Pakistan, attributable to its geostrategic positioning and its influence over the Taliban, has intensified in light of Trump's political objective to conclude the US military engagement in Afghanistan. The recent recalibration of US relations with Pakistan has adversely impacted India's regional interests while simultaneously raising inquiries regarding US-India bilateral relations. Trump's apparent disregard for India's concerns, ranging from the peace process in Afghanistan to calls for a de-hyphenated US foreign policy approach regarding India and Pakistan in South Asia and beyond, suggests a significant ambivalence towards India.

The present rivalry between Iran and the Arab states further exacerbates regional tensions, thereby heightening the possibility of a regional conflict, which could precipitate international petroleum issues. The global defence concretion compels one to conclude that, given the pervasive defence challenges, Pakistan cannot afford to remain indifferent to these developments and must prioritise safeguarding its territorial integrity, regardless of the associated opportunity costs. Whether affirmative or adverse, the discourse surrounding the relationship between security expenditure and financial development persists, with the proponents and opponents articulating respective descriptions. Keynesian economics posits that military expenditure enhances overall allocation and is augmented by encouraging labor force participation, increased opportunities for exertion, and comprehensive advancement of financial expansion. According to proponents of neoclassical theory, it is asserted that defense disbursement reallocates collateral, thereby precipitating financial stagnation.²⁴ The theorist Benoit has an axiom that posits the seminal interconnection between defense expenditure and economic prosperity in developing states as a pertinent illustration. His principal hypothesis asserts that the defence onus is conclusively associated with increased rates in developing states. Moreover, the sequence of instigation is structured so that an elevated defence onus increases the growth rate.²⁵

Paul Kennedy has established a correlation between financial development and defence, articulating that "a nation's military strength is predicated upon its financial growth". Security is a distinctive phenomenon, as territory defence is invariably financed through public funds.

In resource-constrained economies like Pakistan, defense and security expenditures should not surpass development costs but rather enhance the developmental process. Geopolitical, financial, social, and environmental issues affect a nation with a high level of probity and specialization, where significant financial discrepancies exist. This divergence is not fundamentally associated with the country's defence, financial, or geopolitical capabilities; it is related to the strength and durability of the country's organisations, encompassing the state, financial structure, and social unity. Empirical investigations into the determinants of defense expenditures can be categorised into two principal groups. The first category focuses on the arms race paradigm, which examines the comparative defense budgets of two nations. In contrast, the second category of empirical research considers internal (economic and political) and external (security and strategic significance) factors, employing a neoclassical framework with formal modeling.

Financially fragile countries, characterised by tenuous social coherence and financial inequalities, are particularly susceptible to security challenges. Conversely, more robust states encounter distinct challenges that are typically more indirect, remote, and often external. National security is usually conceptualized within a military paradigm; however, this perspective is overly restrictive for the complexities of the twenty-first century. A comprehensive explanation of state defence is perhaps required to integrate the various voices that collectively delineate a nation's security rather than exert control over them.

Table 1: Quarter-wise GDP Growth (Percentage %)

Sector	FY 2023				FY 2024				FY 2025
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Agriculture	0.14	3.46	3.92	1.53	8.09	5.59	3.77	7.27	1.15 %
Industry	-0.20	1.60	-6.68	-9.26	-4.43	-1.92	3.46	-3.65	-1.03 %
Services	2.05	2.25	-1.06	-3.12	2.16	1.48	1.85	3.94	1.43 %

Source: State of Pakistan Yearly Report²⁶

During the partition, Pakistan faced unavoidable financial obligations associated with defence, compelling the nation to divert its essential resources from developmental initiatives to sustain a minimal defensive capability against Indian aggression. In the long term, Pakistan is likely to face pressures related to conventional military equilibrium due to economic constraints, whereas India will possess greater strategic flexibility.

Pakistan Military Spending/Defense Budget – Historical Data

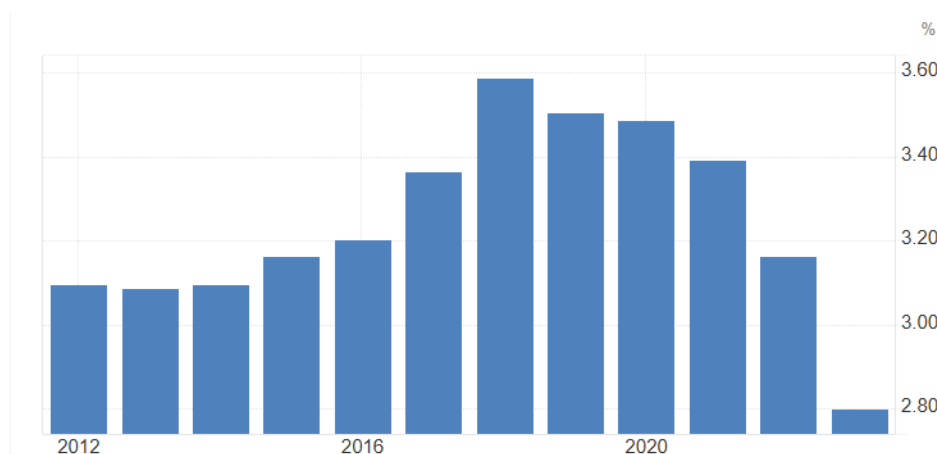
Year	Billions US\$	% of GDP
2022	\$10.34B	2.63%
2021	\$11.84B	2.87%
2020	\$10.41B	3.02%
2019	\$10.40B	3.29%
2018	\$11.75B	3.27%
2017	\$11.49B	3.08%
2016	\$10.00B	2.95%
2015	\$9.51B	2.99%
2014	\$8.68B	3.49%
2013	\$7.66B	3.48%
2012	\$7.48B	3.48%
2011	\$6.95B	3.29%
2010	\$5.97B	3.42%
2009	\$5.27B	3.27%
2008	\$5.23B	3.46%
2007	\$5.34B	3.51%
2006	\$4.97B	3.65%
2005	\$4.59B	3.90%
2004	\$4.13B	3.96%
2003	\$3.72B	4.09%
2002	\$3.27B	4.07%
2001	\$2.84B	3.88%
2000	\$2.97B	4.17%
1999	\$3.08B	5.19%
1998	\$3.22B	5.42%
1997	\$3.32B	5.62%
1996	\$3.55B	6.04%
1995	\$3.67B	5.82%
1994	\$3.32B	5.92%
1993	\$3.31B	6.43%
1992	\$3.39B	6.70%
1991	\$3.07B	6.57%
1990	\$2.81B	6.52%
1989	\$2.58B	6.53%
1988	\$2.72B	6.79%

Similar Country Ranking

Country Name	Billions US\$
India	\$81.36B
Ukraine	\$44.00B
Pakistan	\$10.34B
Indonesia	\$8.99B
Morocco	\$5.00B
Bangladesh	\$4.81B
Egypt	\$4.65B
Philippines	\$3.97B
Nigeria	\$3.11B
Myanmar	\$1.86B
Angola	\$1.62B
Tunisia	\$1.16B
Kenya	\$1.14B
Sri Lanka	\$1.05B
Bolivia	\$0.64B
Cambodia	\$0.61B
Honduras	\$0.48B
El Salvador	\$0.42B
Cameroon	\$0.42B
Georgia	\$0.36B
Zambia	\$0.33B
Republic of Congo	\$0.27B
Ghana	\$0.23B
Mauritania	\$0.23B
Kyrgyz Republic	\$0.15B
Mongolia	\$0.12B
Kosovo	\$0.11B
Papua New Guinea	\$0.10B
Nicaragua	\$0.08B
Eswatini	\$0.07B
Moldova	\$0.05B
Timor-Leste	\$0.04B
Lesotho	\$0.03B
Cabo Verde	\$0.01B

Source: Macro Trends²⁷

Consequently, Pakistan is progressively relying on nuclear capabilities to mitigate the Indian threat, which is undoubtedly adversely affecting its conventional military strengths. State sovereignty and defence scrutiny inherently emerge when a state confronts the violent application of another nation's financial ascendancy in the context of immense *savoir-faire*.



Source: Pakistan's Military expenditure by Trading Economics²⁸

Any external dependency on essential economic resources that may be oppressed in forcible endeavours constitutes susceptibility. State defence intercourse manifests the crucial state integrity that anticipates the presence of endangerment from inimical international operations and activities, or by national shortcomings in providing adequate protection to foreign independence, either substantial or probable. State defence extends beyond physical consideration: national defence is necessary in some stages of armed conflict and is essential for continuity to sustain assistance for the country as currently constructed.

It has been observed that developments over the last two to three decades have unequivocally illustrated the intricate interdependence between security dynamics and economic considerations, particularly in the context of Pakistan, which has adversely affected the nation's welfare, societal conformity, peace, and overall stability. Consequently, a pervasive threat from India has redirected policymakers' focus away from addressing the nation's internal challenges. CPEC has been characterised as a transformative initiative promoting comprehensive regional prosperity in Pakistan. It represents a novel impetus, projected to contribute approximately 2% to the nation's GDP growth. This inclusive developmental paradigm fosters national cohesion and regional connectivity, positively influencing security from domestic and regional perspectives. Furthermore, it enhances governance by facilitating technological advancements.

As a pivotal nation in the international struggle against terrorism, Pakistan has endured significant hardships; however, CPEC, while primarily an economic initiative, is poised to bolster the national defence framework on various dimensions. In this context, state security is paramount, given that Pakistan's principal adversary lies to the East, striving for dominance over eastern maritime and aerial corridors. Consequently, establishing a direct and secure overland route to China via the Karakoram Highway (KKH) provides multiple assurances regarding the uninterrupted supply of armaments, equipment, and wartime resources, mitigating potential threats from adversarial forces.

Marka-e-Haq Operation Bunyanum Marsoos: 72 versus 42 Aircraft, PAF Victory over Indian Air Force

The foundations of this triumph were established in the aftermath of the Pulwama-Balakot crisis of 2019. India's procurement of Rafale combat aircraft and S-400 missile defense systems momentarily altered the technological equilibrium. The imperative for action was unequivocal. Subsequently, the Pakistan Air Force (PAF) underwent a significant transformation, shifting its focus from exclusively aerial vehicles and aviators to a more comprehensive strategy for conflict engagement. The force inaugurated a space command, operationalized a cyber warfare command, integrated Chinese and Western technological assets into a unified, coherent framework, and developed its research and development, as well as training infrastructure — the National Aerospace Science and Technology Park — to foster innovation and real-time adaptation. By 2024, the PAF had achieved parity and surpassed its previous capabilities. It had successfully deployed advanced stealth aircraft such as the J-10C, armed with long-range PL-15 missiles capable of engaging targets at distances exceeding 200 kilometers. It has developed its passive radar technologies.

The Pakistan Air Force (PAF) has developed its data link systems and advanced signal-demodulation tools that can intercept and disrupt Indian Rafale communications and has further validated these enhanced capabilities during the military exercise known as Indus Shield 2024. The PAF has transformed its aircraft into airborne nodes within a combat-oriented network, equipped to detect, communicate, jam, and neutralise adversaries. As the Indian aircraft adopted an offensive stance in the early hours of May 7, the Pakistani fighters did not merely respond haphazardly. Instead, they executed their operations with remarkable precision. The adversary's aircraft were electronically illuminated, not solely through radar detection, but also by the emissions emanating from their communication systems, notwithstanding Rafale's established spectral agility attribute. Within a condensed timeframe of 40 minutes, three Rafale aircraft, one Su-30MKI, and one MiG-29 were successfully engaged and downed. Not a single Pakistani aircraft ventured across the border or engaged in close aerial combat.

The Indian Air Force (IAF) sought to achieve dominance over Pakistani airspace through a numerical advantage—deploying 72 aircraft in four synchronised waves, equipped with stand-off munitions designed to execute strikes from a considerable distance beyond the border and the Line of Control (LoC). However, mere numerical superiority no longer ensured control of the air. The IAF failed to foresee the PAF's profound integration into the evolving paradigms of warfare. By 12:12 AM, the PAF's defensive measures were fully operationalised. Forty-two combat aircraft were launched in swift succession, guided not solely by human intervention, but also by artificial intelligence capable of analysing data from an expansive network of resources—including reconnaissance satellites, early warning radar systems, electronic countermeasures, and unmanned aerial vehicles—all of which contributed to Pakistan's National Intelligence, Surveillance, Reconnaissance, and Integrated Air Operations Centre. In the hushed hours after midnight on May 6, an aerial confrontation transpired above the clouds that fundamentally altered the principles of contemporary air combat.

This encounter was not characterised by traditional dogfights or the acrobatic maneuvers reminiscent of previous engagements between the two rival South Asian nations. Instead, the aerial domain above Pakistan and India transformed into a covert theater of conflict, dominated by unseen forces—electromagnetic disruptions, jamming signals, satellite obstructions, and beyond-visual-range missiles traversing the nocturnal sky.

Conclusion

During 1998, Pakistan gained status as the first Islamic nuclear state. The traditional security paradigm and intricate dynamics between Pakistan and India have precipitated further nuclear development, engendering new and alarming challenges, particularly for Pakistan. The enduring Kashmir dispute is frequently cited as a potential nuclear flashpoint, wherein both nuclear-capable nations may find themselves compelled to resort to nuclear engagement due to miscalculations. The conflict resolution framework between Pakistan and India should encompass a strategic approach to addressing the Kashmir issue, which lies at the core of Pakistan's animosity. Pakistan may reassess its strategic direction and policy orientation to effectively confront both internal and external challenges. The financial amplitude of a country constitutes a pivotal determinant that influences how power is exercised by its various actors, including military forces and intelligence agencies. The extent of power a state can exert is substantially contingent upon its economic circumstances. Rational decision-making processes of national security are often constrained when a state encounters economic difficulties, a prevalent challenge particularly in developing and underdeveloped nations. What may be a feasible course of action for a state with robust financial resources may prove impracticable for one contending with economic adversity.

Additionally, elements such as religion, ethnicity, and nationalism significantly contribute to uncertainties surrounding national security, particularly during periods of economic downturns and instances of ethnic and nationalist conflict. The government can enhance its trade balance while implementing concurrent developmental initiatives. The government can promote the exchange of goods and services instead of the trade of armaments. The government and judiciary should endeavour to strengthen democratic practices, while military interventions should be discouraged. The proliferation of nuclear weaponry should be curtailed to reallocate resources towards development initiatives. Resolving regional disputes is crucial to transforming the aspiration for regional tranquility and stability into a tangible reality, thereby preventing conditions that foster conflict and war.

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