

Why is Pakistan spending so much money on defence amid COVID-19?

Thursday 21 January 2021, by [SIDDIIQA Ayesha](#) (Date first published: 1 July 2020).

The government seems more interested in keeping the military content than providing support for struggling citizens.

The Pakistani government does not seem willing to shift its spending priorities despite the burgeoning COVID-19 challenges.

Pakistan has emerged as one of the countries with the fastest rate of coronavirus infections in recent weeks, according to the World Health Organization (WHO). The country reported its first coronavirus case on February 26 and is now among the top 15 most-affected countries. More than 4,000 people have lost their lives to the disease in Pakistan since the beginning of the outbreak. Moreover, there is a significant shortage of personal protective equipment (PPE) and ventilators in the country.

Despite all this, Islamabad allocated \$7.85bn for defence and merely \$151m for health in the budget for the financial year 2020-2021. This represents a 12 percent rise in Pakistan's defence spending compared with the last financial year. The single-line figure presented in the budget does not give a full picture of the amount actually being spent on defence either.

To avoid hard questions from the International Monetary Fund (IMF), Pakistan refuses to be fully transparent about its military spending. Major acquisitions by the armed forces, spending on the public sector development programme (PSDP), expenditure on the nuclear programme and para-military forces, payments for military pensions, a newly set-up national security division and a few other military expenditures are not reflected in the budget. If these were to be added to it, Pakistan's defence spending would be even higher - at around \$11bn.

The increase in defence spending comes at a time when Pakistan is forced to allocate 41 percent of its expenditure to debt servicing. The economy was underperforming even before the onset of COVID-19, surviving on an IMF loan package of \$6bn. The gross domestic product (GDP) growth rate had plummeted from 5.5 percent in the 2017-2018 financial year to 2.4 percent in 2020-2021. Following the coronavirus outbreak, it decreased further to -1.5 percent. This marked the first time in Pakistan's history that a negative growth rate was recorded.

Before the pandemic, Pakistan was already burdened by an external debt of about \$112bn. Today it is facing the additional challenge of feeding some 25 million poor families that can no longer make a living due to COVID-19. Moreover, the country saw a 30 percent reduction in tax revenue, due to the government's incompetence and decreased spending caused by the coronavirus lockdown. This led to a reduction in overall health spending, as the provincial governments received a less funds from the federal government.

Speaking at the World Economic Forum on May 20, Pakistan's Prime Minister Imran Khan appealed to G20 countries to help create the fiscal space Pakistan and other developing nations need to

“divert resources to healthcare and the environment”. Earlier in April, Pakistan’s Foreign Minister Shah Mahmood Qureshi reached out to his British counterpart, Dominic Raab, to ask for his help in convincing G20 countries to provide debt relief to Pakistan amid the pandemic.

So far, Islamabad has spent some \$424m on coronavirus relief. However, as demonstrated by the government’s repeated appeals for debt relief, more funds are needed to efficiently tackle the crisis.

Nevertheless, the country’s government seems to be more interested in keeping the powerful and bloated military content and impressing its strategic allies than providing support for the millions of struggling Pakistani citizens. This is why it gifted a plane full of PPE to the American military in May despite the growing domestic need for protective equipment.

Khan’s government, in collusion with the military, is desperately trying to take control of more funds at a time when provincial governments are struggling to meet the most basic needs of their constituents. There is a consistent effort to undo the 18th amendment to the country’s 1973 constitution, which gives financial autonomy to the provinces and reduces the federal government’s share.

The military believes that a reduction in the funds available to the armed forces would affect its ability to counter the multiple threats facing the country. This is why it is unwilling to limit its spending to create fiscal space for the government to meet the needs of the poor and the vulnerable during the continuing crisis. Crucially, it is also not interested in opening its budgetary plans to public scrutiny.

For years, continued political instability and the military’s involvement in and control over politics prevented successive federal governments from questioning the spending habits of the armed forces. The military made threat assessments and decided on its modernisation needs without any input from civilian authorities.

It is, for instance, impossible for the parliamentarians to ask the army to make do with the domestically produced main battle tank al-Khaled, rather than buying new Chinese tanks. Despite paying more than \$2bn in military pensions every year (a major expenditure that is not included in the defence budget), the government is not allowed to question what the military does with the revenues from its [\\$20bn](#) private business empire either.

The military business also gets approximately \$90.9m annually in tax exemptions from the state. Furthermore, the armed forces, unlike civilian departments, have the authority to move funds from one head of account to another. This means that it never has to surrender resources back to the state at the end of a financial year.

Despite the continuing dispute with India over Kashmir, a war between the two neighbours does not seem likely. Pakistan’s nuclear programme provides the necessary deterrence to prevent a ground war. This means there is no need for an increase in defence spending, especially at a time when the country is facing an unprecedented crisis and India’s attention is sufficiently diverted towards its own problems with China.

The military is still getting a large share of the nation’s resources as a result of its gradual usurpation of power and decades-long dominance of the state apparatus. By claiming more and more funds in the name of “national security” the military is simply trying to grab greater political, economic and social space for itself to the detriment of millions of struggling Pakistani citizens. The army chief is already a member of the top economic decision-making body, and military officers dominate most institutions.

The government and other state institutions seem unable to resist the military's growing demands and put the people first. Pakistan's foreign allies, donors and partners, therefore, have a duty to pressure Islamabad to rethink its priorities.

Ayesha Siddiq is research associate at SOAS, London and author of *Military Inc: Inside Pakistan's Military Economy*.

[Click here](#) to subscribe to *ESSF* newsletters in English and or French. You will receive one email every Monday containing links to all articles published in the last 7 days.

P.S.

Al Jazeera

<https://www.aljazeera.com/opinions/2020/7/1/why-is-pakistan-spending-so-much-money-on-defence-a-mid-covid-19>