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Faculty of Security Studies

National Defence University Islamabad - Pakistan

بسم الله الرحمن الرحيم

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National Defence University, Sector E-9, Islamabad, Pakistan.

Email: editorndujournal@ndu.edu.pk

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CONTENTS

National Security	Page No

Military / Nuclear Strategy

MESSAGE BY PRESIDENT NDU

It is with a profound sense of purpose that I welcome readers to the inaugural edition of "Horizon". We stand at a pivotal moment in history, where the strategic environment is evolving at an unprecedented pace, leaving little room for complacency. The distinctions between conflict and competition, war and peace, and even truth and falsehood are increasingly blurred. For institutions engaged in the study of security, strategy, and public policy, the intellectual responsibility has never been more demanding.

Great-power competition has expanded beyond traditional military arenas into technology, trade, and information domains. Simultaneously, the post-war security architecture and the rules-based international order are facing sustained challenges and transformation. The growing convergence of economic and security considerations compel us to view national security through a comprehensive and integrated lens. Amidst this evolving landscape, Pakistan's resolute performance during Marqa-e-Haq, coupled with its recent diplomatic initiatives, has reinforced its role as a regional stabilizer and an important bridge between nations and regions.

Military strategy itself is undergoing a profound transformation. Success in the contemporary battlespace increasingly depends upon the seamless integration of effects across multiple domains at unprecedented speed. Emerging technologies, particularly those enabled by artificial intelligence, are shifting the emphasis from mass to precision, and from attrition to cognitive advantage. In this environment, no domain is more fiercely contested than information. Narratives, perceptions, and discourse have become central instruments of strategic competition. The ability to counter disinformation, shape credible narratives, and project values-based perspectives has emerged as a critical component of national resilience, deterrence, and strategic influence.

It is in this context that “Horizon” seeks to make a meaningful contribution. By fostering informed debate, rigorous scholarship, and forward-looking analysis, the Journal aspires to serve as a platform for intellectual engagement on the most pressing strategic issues of our time.

I extend my deepest appreciation to the contributors, participants, and faculty whose dedication, scholarship, and dialogue have brought this initiative to fruition. May this Journal serve as a trusted compass—grounded in truth, informed by critical inquiry, and agile in interpreting an ever-changing strategic environment—in pursuit of a more secure and prosperous future.

Lieutenant General Babar Iftikhar, HI (M)
President National Defence University
Islamabad

MESSAGE BY THE DEAN

The ability to undertake rigorous analysis and exercise sound judgment is cultivated through sustained intellectual engagement with the evolving realities of the strategic environment. Understanding this environment requires a nuanced appreciation of the dynamic interaction between material and ideational forces. Transformations in technology, economic power, and military capabilities increasingly intersect with shifts in global norms, legitimacy frameworks, and ethical considerations. Together, these forces are reshaping the contours of international order and redefining the parameters of security and strategic competition. Responding effectively to these challenges requires analytical depth, intellectual agility, and a commitment to evidence-based policymaking.

At the National Defence University, research and scholarship are precisely directed toward these questions. Our participants and faculty examine the changing character of conflict not merely through the lens of emerging technologies and weapons systems, but also through the influence of information, cognition, alliances, economic interdependence, and the contested terrain of legitimacy. Such inquiry seeks to illuminate the deeper forces shaping contemporary security environment and future strategic outcomes.

The 2025–26 edition of "Horizon" represents the culmination of this intellectual endeavor. The Journal seeks to contribute meaningfully to strategic discourse by advancing research that is analytically rigorous, policy-relevant, and grounded in empirical evidence. Its purpose is to support informed decision-making and foster a deeper understanding of the material and ideational forces transforming both national and international security landscapes.

I commend the faculty, participants, editorial board, and all contributors whose dedication and scholarly efforts have made this publication possible. I also extend my appreciation to FCS and ISSRA for their valuable contributions to this endeavor. Finally, I thank the President, National Defence University, for fostering the institutional environment that encourages critical inquiry, intellectual excellence, and the pursuit of strategic knowledge.

It is my hope that "Horizon" will serve as a meaningful platform for informed debate, innovative thinking, and scholarly engagement, contributing to a deeper understanding of the challenges and opportunities that will shape our collective future.

Major General Muhammad Naeem Akhtar, HI (M)
Dean Faculty of Security Studies
National Defence University, Islamabad

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CHIEF EDITOR'S NOTE

Welcome to the ***Premier Issue*** of '*Horizon*', a journal of the Faculty of Security Studies (FSS) of National Defence University, Islamabad. It symbolises the initiative and vision of the Dean FSS to document the research work of participants of National Security and War Course, a flagship programme of NDU. I take great pride in being a part of this landmark project that has enabled us to make it available to academics, security strategists, and larger readership in multiple formats including NDU web site.

The articles have been arranged into three distinct parts. Part-1 covers the global and regional issues; Part-2 discusses the national security aspects, while Part-3 focuses on military / nuclear strategy. These contents highlight the individual writers' views and opinions on challenges that we confront today vis-a-vis the needs of the domestic / global policy construct.

I am confident that as we move forward, the research work reflected in "Horizon" would continue to develop, and contribute effectively within the academic and policy circles.

Happy reading and the very best to our readers.

Dr. Muhammad Arshad
Chief Editor Horizon
FSS Journal

RECALIBRATING THE GLOBAL ORDER: STRATEGIC REALIGNMENTS IN SOUTH ASIA UNDER PRESIDENT DONALD TRUMP

Saad Mansoor Ansari, Ayesha Ali, Atta Muhammad, Tariq Mahmood,
Kevin Taaffe (UK), Banabas Simbarashe Tera (Zimbabwe) and Ahmed Nabeel

Abstract

The international system is undergoing structural adjustment marked by diffusion of power, erosion of normative consensus and increasing reliance on transactional statecraft. South Asia sits at the intersection of these shifts, where great power competition converges with regional rivalries and middle power adaptation. The return of Donald Trump to the White House in 2025 has not initiated these trends but has accelerated them by reducing the stabilising role traditionally played by the United States. This paper analyses how the second Trump administration is reshaping the global strategic landscape and accelerating strategic realignments in South Asia. It defines global order, recalibration and strategic realignment as the conceptual frame, then traces cycles of US engagement and retrenchment and explains why Pakistan United States ties remain prone to volatility. It evaluates drivers of change and plausible futures identified in the report and concludes with a strategic navigation plan for Pakistan across global, regional and domestic domains, structured along short, mid and long term horizons.

Keywords: Global Order, Strategic Realignment, Donald Trump, South Asia, U.S.–Pakistan Relations, Great Power Competition, Multipolarity, Regional Security.

Introduction

Defining the Framework: Global Order, Recalibration and Strategic Realignment

The current international system is going through a significant phase of change, described in this report as the "recalibration of the global order". Power, legitimacy and influence are being redistributed as authority diffuses from a single dominant power toward multiple centres of capability. To situate South Asia within this changing environment, particularly under Trump 2.0, the analysis is framed around three interrelated concepts: global order, recalibration and strategic realignment.

The 'Global Order' represents the balance between power, the material capability to shape outcomes and legitimacy; the shared norms that sustain acceptance. As Henry Kissinger observed, world order is "the concept held by a civilisation about the nature of just arrangements and the distribution of power thought to be applicable to the entire world."[1] Joseph S. Nye Jr. similarly defines order as "a matter of degree," continually reshaped by technological, ideological and social change. Disorder therefore reflects not collapse, but a mismatch, when old institutions and norms no longer mirror new power realities.[2] Under Trump 2.0, U.S. retrenchment and transactional diplomacy has widened this gap, accelerating the movement toward a multipolar configuration.

'Recalibration' therefore is an evolutionary process, adaptation rather than rupture. In South Asia, recalibration is visible in the transition from externally imposed Cold War alignments and post-1991 economic dependencies toward adaptive realism, where states preserve sovereignty by diversifying partnerships, turning simultaneously to China, the United States and West Asia Gulf/etc. Within this recalibrating order, 'strategic realignment' captures how states deliberately reposition themselves amid fluid hierarchies. It occupies the space between rigid alliances and ad-hoc cooperation. Drawing on Stephen Walt's 'balance-of-threat' logic and Richard Haass's concept of "sovereign obligation,", the report lays out that alignment is evolving towards managed interdependence, a pattern of pragmatic engagement across multiple poles.[3] Under Trump 2.0, U.S. unpredictability and China's rise have intensified this dynamic, compelling regional actors to hedge, recalibrate and pursue multi-vector diplomacy to maximise autonomy within an increasingly fragmented but interconnected global system.

In the above context, the report aims to analyze how the second Trump administration's transactional policies are reshaping the global strategic landscape & accelerating structural realignments in South Asia, examining shifts in power dynamics & economic linkages while identifying how Pakistan can adapt and assert agency within an evolving multipolar order. The contemporary international system is not collapsing but recalibrating, a re-weighting of power, legitimacy and rules within the post-1945 order. This evolution is driven by the interaction of material competition, institutional adaptation and normative contestation. Realist rivalry, liberal adjustment and constructivist redefinition now intersect to produce what Acharya calls a multiplex world: a system in which regional powers and hybrid institutions share the stage once occupied by the West.[4]

The global order has evolved through distinct phases: the Cold War's predictable bipolar structure, followed by a 'unipolar moment' of U.S. dominance from roughly 1990 to 2024. Today, the system is multipolarizing, driven by the rise of China and the growing agency of middle powers and even smaller states. Yet the transition remains incomplete, as the United States continues to hold significant advantages in military power, economic scale and technological leadership. Amid this shift, China's rise is reshaping global dynamics. While Washington increasingly portrays Beijing as a revisionist adversary and seeks to contain its influence, China emphasizes continued growth and development and is presenting itself as a defender of the global order. President Xi Jinping's articulation of principles based on mutual respect and the launch of a Global Governance Initiative at the SCO summit underscore Beijing's opposition to a return to bloc politics and its ambition to shape a new, more inclusive order.

The future balance of power remains uncertain. A G2 configuration centered on the United States and China is one possible trajectory, but multipolarity is likely to deepen over time. President Trump's role introduces additional ambiguity: his decision to sideline the Quad and seek rapprochement with China and Russia marks a departure from previous strategies. Whether his influence proves temporary or transformative will significantly affect the pace and shape of the evolving global order. South Asia exemplifies this shift. It is where great-power competition between the United States and China meets the adaptive strategies of middle powers seeking autonomy within structural constraints. The return of Donald Trump to the White House in 2025 has not created this environment but accelerated it, exposing the transactional core of U.S. diplomacy and the fragility of multilateral norms.[5,6] For Pakistan, the question is not whether the global order is changing, but how to secure agency within it. This report argues that while Trump 2.0 intensifies a broader turn toward transactionalism, the underlying forces of diffusion and contestation are structural. Pakistan's strategic future depends less on the behaviour of others than on whether it can move from dependency toward diversified engagement in an increasingly plural world.

Reassessing the Idea of "Order"

Yet, before considering what is being recalibrated, one must ask whether a global order ever truly existed. The United Nations' intervention in Korea in 1950 was the first and last time collective security functioned as the Charter intended. Every subsequent crisis, ranging from Suez and Vietnam to Iraq, Kosovo, Afghanistan and Syria, was resolved not through universal consensus but through great-power initiative and selective coalitions. The post-war order, often described as liberal and rules-based, rested less on law than on hierarchy; its durability depended more on the temporary alignment of interests than on the authority of norms.[7] What is changing now is less the erosion of a stable system than the loss of faith in that fiction.

As Jim McCormick observes, American foreign policy has long oscillated between moral exceptionalism and pragmatic realism.[8] This tension is embedded in the very foundations of U.S. international thought: Wilson's liberal internationalism envisioned a moral order underpinned by law and institutions;[9] Morgenthau's classical realism cautioned that moral purpose must be tempered by power and national interest[10] and Kennan's containment logic sought to reconcile both through disciplined restraint.[11] Each strand, idealism, realism and strategic prudence, has shaped successive administrations' attempts to define America's global role. Trump's diplomacy stripped away the moral idiom without dismantling the underlying calculus of reciprocity and coercion, revealing how enduring traditions of power and purpose coexist uneasily within U.S. statecraft. What evolves is not the structure of order but the language through which it is justified, South Asia lies directly in the path of these global currents. The region's geography, demography and contested borders make it both a theatre of great-power rivalry and a test case for middle-power resilience. Trump's first presidency was marked by skepticism towards multilateralism, the imposition of tariffs on allies as well as rivals and the elevation of India as a counterweight to China. Early signals from Trump's second term reinforce this trajectory: shrinking aid budgets, revived tariffs on South Asian exports and limited interest in institutional leadership.

For Pakistan, there has been positive change in the relationship in the early phase of Trump 2.0 compared to the Biden policy of distance and detachment. After the short conflict with India in May 2025, (Marka-e-Haq), Pakistan was quick to acknowledge President Trump's role in the ceasefire; nominated President Trump for the Nobel Prize, managed to negotiate tariffs, offered cooperation in REE's and critical minerals and supported Trump's 20 point peace plan for Gaza. On the other hand, US-India relations recently witnessed uncharacteristic tensions with India's so-called insistence on 'strategic autonomy' in relations with Russia, slow movement on tariffs' and refusal to acknowledge President Trump's role in the Pakistan-India conflict. However, the renewal of the US-India Defense Framework Agreement indicates that the Strategic Partnership remains intact.

To many analysts, Washington still appears to be back to its transactional calculus vis-a-vis Pakistan; China remains Pakistan's long term strategic partner and main development and investment partner having rolled over US$3.4 billion in commercial loans, while the country faces external-financing pressures exceeding US$22 billion in debt-service obligations for 2025.[12] These dynamics confirm the structural asymmetry of Pakistan's position: it is politically reliant on Beijing, economically tethered to Western markets and continually negotiating a space between dependence and autonomy.

The challenge, therefore, is not merely to describe recalibration but to interrogate what it means for Pakistan's capacity to act. Much of the literature portrays Pakistan as the passive object of external design,[13] yet agency, although constrained, persists.[14] This report situates Pakistan's strategic choices within an environment where sovereignty is conditional and autonomy must be constructed. Trump 2.0 accelerates the structural turn toward transactionalism and multipolarity, but Pakistan's trajectory will depend on how it interprets and responds to these pressures. The question is not whether the global order is being recalibrated, but how Pakistan can translate constrained sovereignty into strategic choice, whether this is through selective alignment, calibrated hedging, or broader regional integration.

U.S. Cycles of Engagement vs. Retraction: From Liberal Hegemony to Illiberal Retrenchment

The Pendulum in U.S. Foreign Policy

US foreign policy works like a pendulum, at times moving between engagement and retrenchment. Presumably, there is always logic behind these oscillations. They are the result of an interplay between a host of factors which include US national interests, the dominance of theoretical logic and domestic factors.

National Interests as Drivers of Cycles

Four enduring interests shape engagement and retrenchment in U.S. foreign policy:

- **Security and Survival**: When the US is threatened, its commitments are expanded as in the case of the Japanese attack on Pearl Harbor which brought an end to two decades of relative US isolation and forced it to enter World War II. In the same way after the terrorist attacks of 9/11, the US went to wars with Afghanistan and Iraq.
- **Economic Prosperity**: US economic prosperity also sustains engagement. Through the Marshall Plan, the US channeled over $13 billion into Europe after World War II.[15] It helped Europe to recover and also provided markets for US goods.
- **Prestige and Status**: The US policy makers also act to signal prestige and status. An example is John F. Kennedy's inaugural pledge in 1961 to 'pay any price and bear any burden' which underlined the intention towards global activism.[16] After the fall of Saigon in 1970, as the US status diminished, there were calls for restraint in the US political arena.[17]
- **Values and Identity**: The US has also assumed for itself certain exceptionalism' which it frames as a moral mission. President Wilson vowed to make the world 'safe for democracy' in 1917 and President Clinton's interventions in Bosnia and Kosovo in the 1990's symbolised value based engagement but the revelations of prisoner torture during the war in Iraq in 2004 created disillusionment with the project of exporting democracy by force.

Theoretical Scaffolding for the Cycles

- **Realism**: Realists stress how alliances respond to shifting power balances. This phenomenon does not spare close US allies. Most US presidents from Eisenhower to Trump have expressed frustration with NATO free riding and not sharing enough of the burden. Similarly, the Anglo-American alliance came under strain during Suez and again over Iraq.

- **Liberalism**: Liberals emphasise the role of institutions, shared rules and economic interdependence in shaping state behaviour. Alliances are not only responses to power shifts but are embedded in formal organisations and dense networks of cooperation that lower uncertainty and make commitments more credible. NATO, for example, persists not simply because of shared threats but because it institutionalises consultation, planning and burden-sharing, creating habits of cooperation that endure even amid disputes. Trade ties, supply chains and financial integration further raise the costs of rupture, encouraging partners to manage disagreements rather than abandon the relationship. From this perspective, strains within US alliances reflect bargaining within an ongoing institutional framework rather than signs of imminent breakdown.

Constructivism and Ontological Security

Constructivists focus on identity and narratives. Here again we see those enduring partnerships such as with the UK, Australia and Japan remain intact[18] but more 'instrumental ties' such as with Pakistan depend on whether Washington needs them.[19] During the War on terror Pakistan was designated as a 'major non-Nato ally', which deteriorated into accusations of providing safe havens to the insurgents against US interests. Ontological security theory adds nuance: According to this the states seek a consistent sense of self as much as material security.

Historical Patterns of Engagement and Retraction

US policy itself has seen several cycles of engagements followed by retraction as stated earlier. It can be divided into several historical periods such as:

Isolationism and Exceptionalism before WWI

George Washington in his Farewell Address warned against "permanent alliances," setting the tone for caution. The Monroe Doctrine focused on hemispheric primacy while rejecting European entanglements. The Spanish American War and Theodore Roosevelt's activism signalled greater reach, yet still framed as reluctant.

- **Inter-war Isolationism**: The interwar period was decisively inward looking. The 1920s & 1930s marked a decisive inward turn.
- **Post-WWII Liberal Internationalism**: The devastating impact of WWII forced a rethink with the US deciding to remain in the forefront through consensus for engagement. This took the form of alliances and institutions such as NATO, the Marshall Plan and Bretton Woods tying U.S. power to global order.[20]
- **Post-Cold War Shifts**: The 'unipolar moment' after the collapse of the Soviet Union made the US the only super power in the world. The ensuing decades saw the pendulum swing from time to time with Clinton pursuing liberal hegemony through NATO expansion and globalisation while Bush adopted a more unilateral path with wars in Afghanistan and Iraq post9/11.
- **Trump 1.0's Illiberal Retrenchment**: Trump focused on his 'America First' approach regarding alliances as transactional, [21] he preferred financial contributions to shared commitments. He questioned NATO's Article 5; tariffs were used as tools to target Canada and the EU.[22]
- **Biden's pragmatic reengagement**: He sought to restore leadership while recognising limits. He focused on fortifying the traditional alliances including NATO and re-joined the Paris Climate Accords.
- **Trump 2.0**: Active Illiberal Retrenchment. With Trump's return in 2025, U.S. foreign policy has once again shifted towards illiberal retrenchment.

Resilient vs. Cyclical Partnerships

According to analysts the resilience of U.S. relationships often depends on whether it regards the partners as integrated into its extended identity, based on democratic values and institutions etc. Relations with some countries such as Pakistan go through cycles of alignment to be relegated into the background when interests cease to align. Enduring allies such as the UK, Japan also face cycles but are sustained by shared identity and institutions. On the other hand, relations with Pakistan are narrower, issue-specific and more vulnerable to abrupt reversals.

Implications for South Asia

Looking ahead under Trump 2.0, this volatility is likely to not only continue but also become accentuated. It is becoming apparent that US allies all around including Canada, India and the EU face sharper expectations of contribution further increasing US transactionalism towards Global South, particularly South Asia.

Patterns, Ruptures and Futures

The cycles of U.S. engagement and withdrawal are a recurring feature of American statecraft. These are caused by enduring national interests and domestic politics and seen theoretically through the realist, liberal and constructivist lens. Donald Trump's "illiberal retrenchment" signifies a shift. This adds momentum to the future rise of a multipolar world where the U.S. becomes a less dependable anchor of global stability.

Evolution of US Engagements in South Asia

Pakistan came into being on 14 August 1947 and was immediately greeted by the US President Harry S. Truman who congratulated Mohammed Ali Jinnah, for Pakistan's "emergence among the family of nations". After officially recognizing Pakistan as an independent state, diplomatic relations between Pakistan and the US were established. The relations were not very cordial in the initial years because of certain reasons. First, it was the early phase of the cold war and the US had its global interests and was engaged in the containment of Communism. Priority was given to China and Japan and it had no major foreign policy concerns in South Asia. Pakistan-US relations can be divided in the following time periods.

Cold War Era / Anti-Communism

US engagements in South Asia evolved from the Cold War era with focus on containing communism and maintaining non-communist governments including the complex dynamics of the India-Pakistan rivalry and neighboring Afghanistan. The US interest in the region improved the position of Pakistan in the eyes of American policy makers because of its geo-strategic location at the crossroads of the Soviet Union and China. Due to its geo strategic location, Pakistan could help the US to keep a vigilant eye on the developments in Russia and China. After more than a decade of friendly relations, Pakistan-US relations started fluctuating when during the Sino-Indian conflict 1962, the US and Britain decided to give $120 million military assistance to strengthen India against China. The new administration decreased interest in Pakistan and instead of military hardware development, it extended only verbal assurances of American assistance. The US military aid to India during that era changed the balance of power in the sub-continent. President Ayub Khan began to assess the utility of Pakistan's alliance with the US and consequently established relations with China and the Soviet Union. The US' approach caused Pakistan to move closer to China. On March 2, 1963, Pakistan signed a boundary agreement with China which was not in line with US designs which were already pursuing the policy of containing China.

The relations improved when Islamabad facilitated the visit of Henry Kissinger to China in July 1971 which paved way for subsequent visit of Richard Nixon to China in February 1972. In that backdrop, the US adopted a policy of "the Tilt" favoring Pakistan in the Indo Pakistan conflict of 1971. The US backed Pakistan diplomatically by calling on the UN for ceasefire but avoided direct confrontation with India being backed by the USSR. Pakistan US relations changed immediately after the Soviet invasion in Afghanistan on December 26, 1979. The US had to review its policy towards Pakistan to fight against the Russian invasion in Afghanistan. Pakistan became the 'frontline state' to fight against the Soviet aggression in Afghanistan along with the "Mujahedeen".

Post-Cold War Era

After having suffered heavy military and financial losses in the Afghan jihad, the Soviet Union had to completely withdraw from Afghanistan in 1989 and the USSR ultimately disintegrated on December 26, 1991. After the disintegration of USSR, the US response changed once again. The sanctions imposed earlier had ceased the economic and military aid of $564 million and the delivery of 28 F-16 jets to Pakistan in 1990 for which Pakistan had already made the payments to Lockheed Martin.[23]

Nuclear Tests of 1998 in South Asia and the U.S. Response

When Bharatiya Janata Party (BJP) came into power in February 1998, India reinforced her nuclear program and weapons. Pakistan's Prime Minister wrote a letter in April 1998 to apprise Bill Clinton about BJP's designs. It was not taken seriously by the United States.

Post-9/11 and Counter-Terrorism Era

The terrorist attack on the World Trade Center in New York on September 11, 2001 in which about 3000 people were killed and 25000 were injured became a turning point in Pakistan-US relations. President Musharraf pledged to support the US in the War against Terror by granting access to Pakistan military bases, intelligence cooperation and logistic routes. The sanctions imposed after 1998 nuclear tests were reversed and Pakistan became a frontline Non-NATO ally of the US in the war against Al-Qaida and Taliban in Afghanistan.

After the Obama administration, when President Trump came into power in 2017, he also accused Pakistan of providing "safe haven" to the terrorist groups and imposed cuts on military aid to Pakistan. Trump reinforced the strategic alignment with India against rising China and shaped deeper bilateral ties in defense and security cooperation.

Post-U.S. Withdrawal from Afghanistan

After the U.S withdrawal from Afghanistan, the strategic and geo-economic landscape in the region changed. The U.S focused more on India under (Indo-Pacific strategy) to counter China. However, Pakistan still engaged with the U.S. Pakistan-US relationship has improved in the wake of Pakistan's victory against India in Marka-e-Haq in May 2025, Pakistan has seen a series of positive developments under President Trump which are discussed in detail later in the report.

Comparative Arc: U.S. India Relations

- **Early Estrangement**: Contrary to the close Pakistan-US relations in the early years of the Cold War, India's adoption of Non-Alignment under Nehru limited early cooperation with the United States. Although Washington aided during the 1962 Sino-Indian War, strategic convergence remained minimal.[24]
- **Cautious Engagement**: Reagan's limited outreach and India's 1991 economic reforms initiated tentative economic engagement. However, India's 1998 nuclear tests triggered fresh sanctions.
- **Strategic Convergence**: A turning point came with the 2000 Clinton visit and the 2005 Defense Framework, followed by the 2008 Civil Nuclear Deal, which granted India unprecedented access to nuclear commerce despite being outside the Non-Proliferation Treaty (NPT) regime.
- **Deepening Partnership**: Obama labeled India an "indispensable partner" and supported its bid for a permanent UN Security Council seat.
- **Trump 1.0**: Personal diplomacy between Modi and Trump emphasized shared interests against China, though marked by trade tensions and disputes over tariffs and visas. Strategic cooperation expanded, but under a transactional tone.
- **Biden Era**: Biden largely continued the Trump-era strategic alignment, emphasizing democracy, climate cooperation and technology partnerships under the Quad framework.
- **Trump 2.0**: Early optimism in New Delhi after Donald Trump returned to office has gradually shifted to cautious management of differences. Trade frictions have reappeared with renewed tariff pressures on Indian exports, which India views as coercive rather than purely economic. At the same time, India has resisted concessions while keeping engagement open to avoid escalation. Energy has become a key point of divergence.

India's continued purchase of discounted oil from Russia is driven by domestic economic needs, but faces growing pressure from Washington. India maintains that these decisions are based on national interest and energy security. Diplomatic tensions have also increased due to Trump's claim of mediating the 2025 India Pakistan crisis, which New Delhi rejects in line with its position under the Simla Agreement. Overall, the relationship remains strategically important but increasingly transactional, with India focusing on balancing cooperation with protection of its core interests.

Trump's Two Phases and the Structural Drivers of Change

According to Dr. Prosenjit Nath, Trump 1.0 was characterized by nationalism, unilateralism and an effort to reduce U.S. global military commitments. Trump 2.0, as described by Lowy Institute analyses, began with optimism but deteriorated rapidly. By August 2025, Trump's imposition of tariffs and India's outreach to Xi and Putin symbolized a fundamental cooling of relations.[25] This pattern underscores a central theme of U.S. policy in South Asia: pragmatism guided by shifting strategic contexts.

Relations with Smaller South Asian Countries: A Historical Perspective

Bangladesh

The United States formally recognized Bangladesh in 1972 and played an important role in post-war relief and rehabilitation. Through the 1980s and 1990s, the relationship was grounded in economic development, disaster management and expanding garment exports. Since the 2000s, the relationship has deepened and diversified, covering counterterrorism, maritime security, climate resilience and labor rights. Washington remains concerned about electoral integrity and governance, while encouraging cooperation in renewable energy, digital inclusion and refugee management. The Rohingya crisis also added a humanitarian dimension.

Sri Lanka

The U.S. established diplomatic relations with Sri Lanka soon after its independence in 1948, focusing on economic development and education. During the long civil conflict, Washington pressed for political reconciliation and provided humanitarian aid while expressing concern over human-rights violations. In the 2010s, Sri Lanka's increasing debt exposure to Chinese infrastructure loans (notably Hambantota Port) drew renewed U.S. attention.

Maldives

U.S-Maldives relations were historically modest, centered on education, tourism and disaster relief. Since the 2010s, the partnership has expanded into counter-terrorism cooperation, coast-guard modernization and climate-adaptation assistance.

Nepal

Formal diplomatic ties began in the 1950s, when the U.S. became a principal provider of development and humanitarian assistance. Aid focused on public health, education and rural modernization. In the 2010s, the Millennium Challenge Corporation (MCC) compact marked a new era of infrastructure and energy cooperation, complementing Nepal's hydropower and regional-connectivity ambitions.

Bhutan

Bhutan and the United States do not maintain formal diplomatic relations, yet their engagement has been characterized by goodwill and cooperation in education, environmental conservation and cultural exchange. In recent years, Bhutan's transition to democracy and its global leadership in sustainable development have attracted U.S. attention. Cooperation now focuses on climate adaptation, cultural preservation and youth education programs.

Afghanistan

Initial U.S. engagement in Afghanistan during the 1960s and 1970s was shaped by Cold War competition, with Washington focusing on development assistance to counter Soviet influence without drawing Afghanistan into a formal alliance. Projects such as infrastructure development, agricultural support and education initiatives were aimed at strengthening state capacity while preserving Afghanistan's non-aligned posture. This approach reflected a cautious strategy of indirect influence rather than overt military or political intervention. After the September 11 attacks, Afghanistan became the central theater of the U.S. "War on Terror." The objective shifted from development support to counterterrorism, regime change and state-building. Over two decades, the United States invested heavily in counterinsurgency operations, institutional development and social sectors such as education and women's rights. While these efforts produced measurable social gains, they failed to establish durable political stability or a self-sustaining security structure, culminating in the rapid collapse of the Afghan state following U.S. withdrawal.

Structural Drivers of Realignment: Multipolar Disorder in a Changing System

Global Strategic Trends 7 identifies six structural drivers, power competition, economic transformation, technological acceleration, demographic pressure, environmental stress and governance inequality, which together attempt to explain the forces that have been and will continue reshaping the global order. In South Asia, these forces have been compressing strategic space, compelling adaptation through hedging to preserve autonomy within uncertainty.[26]

Power Competition

Power diffusion has produced overlapping spheres of influence rather than rigid blocs. The United States and China remain dominant poles, yet, unlike the Cold War, their rivalry unfolds amid deep economic and technological interdependence. This interdependence empowers middle powers: India seeks autonomy; Pakistan balances necessity with restraint; Gulf partners project capital and technology into South Asia. Institutions such as the Quad, SCO and BRICS+ embody competing architectures of legitimacy rather than ideological blocs. Power competition rewards agility, not allegiance; global rivalry shapes but does not determine regional strategy, the condition driving South Asia's recalibration.

Economic Transformation and Energy

GST-7 notes that geopolitical rivalry now shapes trade, energy and finance, turning interdependence from stabiliser to lever of power. South Asia exemplifies this fragility: intra-regional trade remains below 8 percent of total commerce, forcing dependence on external finance, energy and markets. Globally, trade is fracturing into blocs as tariffs, export controls and sanctions become instruments of coercion. China's state-backed industrial model and U.S. protectionist measures such as the CHIPS Act weaponise supply chains. Resilience, not openness, now defines economic strength, driving South Asian states to hedge. Weak intra-regional trade constrains collective resilience.

Technological Acceleration

Technology defines sovereignty through control of standards and data. South Asia operates within parallel digital ecosystems: India's UPI, Pakistan's Raast and Bangladesh's Smart 2041, expand inclusion yet remain nationally siloed. Limited interoperability mirrors the global bifurcation between Western and Chinese systems. Digital bifurcation forces states to select technological partners even while proclaiming neutrality. Technology is now a key vector of strategic realignment.

Demography and Labour Mobility

South Asia's 1.8 billion people include a youth cohort exceeding 30 percent. Youth unemployment averages 20 percent and female participation remains below 25 percent. GST-7 notes that uneven population growth is reshaping global stability. For South Asia, the dividend endures only if education and jobs expand at pace; otherwise, surplus labour risks fuelling unrest. Demography is both opportunity and liability. South Asia's population is its greatest asset and its hardest governance test.

Environmental Stress

South Asia is among the world's most climate-vulnerable regions. Pakistan's 2022 floods, Indian heatwaves and Himalayan glacier loss reveal systemic exposure. UNESCAP estimates that coordinated adaptation and green investment could lift regional GDP by 23 percent. Climate vulnerability offers rare scope for cooperation, but rivalry still subordinates environmental logic to strategic competition.

Governance and Inequality

Rising inequality and institutional fatigue are eroding legitimacy across South Asia. World Bank Governance Indicators show declining effectiveness and regulatory quality in India, Pakistan, Bangladesh and Sri Lanka, constraining policy continuity and long-term planning. Governance strain drives states toward results-based, tactical diplomacy, a pattern that recurs in Section 4.

Synthesis

Global order's recalibration, where interdependence becomes leverage and power competition defines advantage, reflects dynamics that predate Trump. The structural shifts shaping South Asia precede Trump; he is an accelerant, not an architect.

Beyond Trump: Continuity or Change?

Whether Donald Trump's second term signals a break or continuity in U.S. foreign policy is best understood structurally. What has changed after Trump is style, not substance: the overt transactionalism, the tariff coercion which even faces challenges from the US Senate and US Supreme Court and the rhetoric and the public spectacle that define Trump 2.0. Continuity lies in Washington's enduring contestation with China and Indo-Pacific logic, constraining China's rise through the Quad, export-control regimes and strategic partnerships with India, Japan and Australia. Change lies in the tactics: the monetization of alliances, weaponized tariffs and politicized aid and visas, products of domestic compulsions and polarization. U.S. engagement in South Asia thus remains interest-driven and selective.

Regional Recalibrations/Adaptations

India: Strategic Autonomy

For India, the return of Donald Trump initially disrupted the expectation of a privileged strategic alignment. The imposition of tariffs, in some cases reaching up to fifty percent, on Indian exports including textiles, gems, pharmaceuticals and seafood, affected a substantial trade volume estimated near US $55 billion. Washington justified these measures on grounds of unfair trade practices and India's continued economic engagement with Russia. In the short term, these actions strained key export sectors and altered Indian perceptions of the reliability of U.S. economic partnership. Recent developments, however, indicate a partial recalibration. The United States has shown signs of easing tariff pressures on selected Indian exports, reflecting a pragmatic recognition of India's role in supply chain diversification and Indo Pacific balancing. In parallel, India has undertaken a calibrated reduction in its imports of discounted Russian oil. This adjustment appears less a strategic realignment and more a hedging measure to manage external pressure while maintaining energy security and price stability. The broader consequence has been a renewed emphasis in New Delhi on strategic autonomy. India's earlier approach, often described as pragmatic engagement with multiple major powers, faced stress under tariff escalation and visa related pressures. The current posture reflects a more deliberate multi alignment strategy, seeking to preserve cooperation with the United States while avoiding structural dependence and retaining flexibility in relations with other major partners.

US-India Defence Framework Agreement

On 31st October, 2025, US and India renewed the ten year Defence Framework agreement. The defence framework model between US and India dates back to 2005, when the first such agreement was signed to institutionalize defence cooperation between the two countries. It was renewed in 2015 under the Obama Administration setting the tone for closer military exercises, intelligence exchange and defence trade, enhance operational interoperability, deepen defence industrial cooperation, boost defence trade and technology transfer, develop emerging defence domains and intelligence sharing. Key sectors of collaboration include: aerospace, naval systems, missile systems, cyber and space and defence manufacturing.

Strategic Significance

The agreement re-enforces Indo-Pacific Strategy by empowering India as a counter balance to China's regional dominance and Strengthen the Quad Alliance (US-India-Japan-Australia) for regional stability. For India, it diversifies defence portfolio away from Russia and Europe and gain access to cutting edge US defence technologies.

Geo-Political Implications

China may see as a containment move and increase naval presence in the Indian Ocean and intensify border posturing. Pakistan may see this as a threat to regional balance and could deepen its own military ties with China or pursue new partnerships.

Pakistan: The Return of Engagement

Pakistan's re-entry into Washington's calculus, post Marka-e-Haq 2025 marks a measured policy reset after years of estrangement with the US. The June September 2025 visits of Prime Minister Shehbaz Sharif and Field Marshal General Asim Munir symbolized the thaw.

Key outcomes of the re-engagement include:

- A US $500 million Minerals and Energy Framework Agreement on lithium, copper and rare earths.
- First shipment of critical minerals to the U.S.
- Designation of Balochistan Liberation Army as a Foreign Terrorist Organization.
- Acknowledgement of Pakistan's regional role during the Iran crisis.
- Inclusion in Trump's "Group of Eight Muslim States" for the Gaza Peace Plan.[27]

This momentum highlights Pakistan's evolving balancing paradigm: enduring interdependence with China through CPEC and BRI, yet ongoing reliance on the U.S. financial signaling (IMF, World Bank) and technological access. Islamabad is leveraging convergence points to regain diplomatic bandwidth without compromising its Chinese anchor.

China: The Structural Constant

China remains the pivot of regional hedging. Through the BRI, CPEC Phase II and industrial corridors linking Africa and the Middle East, Beijing has become South Asia's principal economic stabilizer. Beijing's regional model is integrationist, not ideological, financing infrastructure, industrial parks and digital connectivity from Bangladesh to Sri Lanka. Trump's tariff escalation and export controls have paradoxically expanded China's convening power and encouraging Asian states to hedge rather than choose between US and China.

Other South Asian States: Hedging as a Permanent Strategy

Strategic hedging has become institutionalized survival, as state adapt their foreign policies amid renewed U.S. transactionalism under Trump 2.0. Bhutan continues its cautious diplomacy, advancing border talks with China while preserving India's strategic confidence, keeping U.S. engagement limited to developmental and environmental cooperation. Bangladesh, under interim leader Muhammad Yunus, has deepened infrastructure and manufacturing ties with China while maintaining Western markets. Intensive diplomacy has secured a reduction in U.S. Nepal has entered a phase of pragmatic reset with Washington: U.S. aid and Millennium Challenge Corporation (MCC) funding have contracted under "America First," but limited cooperation continues on governance reform and youth engagement. Balancing India, China and the West, Nepal leverages reconstruction aid and civil-society partnerships with the U.S. In the Maldives, relations with the U.S. remain stable yet strategic, anchored in the 2020 Defence Framework and climate-resilience cooperation through the USAID Country Office in Malé. An aberration in the region, Afghanistan is a regional spoiler and a breeding ground for terrorism aided by India. Regional connectivity and energy projects have long been stalled due to instability aided by terrorism supported by the Afghan Taliban government. South Asia's order is shaped less by Trump's personality than by systemic realignment. The U.S. still operates through a China-centric lens; China consolidates connectivity as power; and regional states convert volatility into leverage.

Pakistan's Agency in a Recalibrating Global Order

The preceding parts argue the global order is shifting from the U.S.-centred dominance to complex, networked power. Trump's presidency with focus on 'America First' has accelerated the shift, emphasising national interests, economic decoupling and pragmatic coalition-building. The era's central axis is the strategic rivalry between the United States and China. Economic interdependence and technology have become instruments of strategic competition, while climate change and inequality erode trust in global institutions. In the South Asia context, U.S. engagement continues through economic, trade, tariff coercion rather than new security commitments. China has continental leverage: BRI, CPEC and SCO anchor Chinese influence through infrastructure and digital finance. There has been Pakistan-US reengagement in the recent months through focus on enhanced collaboration in minerals, energy, West Asia/Gaza cooperation. US-India partnership faces some friction and India insists on embrace of the so-called 'strategic autonomy'. India-US strategic partnership however stays on course and Indo-Pacific cooperation continues. Middle-Powers appear to be hedging including Bangladesh, Sri Lanka, Nepal, Afghanistan and the Maldives etc. as they pursue multi-vector diplomacy, attracting competing investments.

Global Futures: Four Scenarios for the Recalibrating order and Regional Adaptation in South Asia

Based on the trends described in the preceding parts, the following scenarios appear possible, plausible and policy-relevant at the Global level.

Scenario	Description & Implications	Regional Recalibration
1. Managed Multipolarity (Optimistic)	Great-power rivalry moderated through selective cooperation, revived G20, WTO reform, climate compacts. Implication: Smaller states act as connectors. Pakistan can serve as a bridge linking China Central Asia-Gulf	South Asia sees moderated competition; Regional organizations gain traction.
2. Fragmented Rivalry (Baseline)	Persistent U.S. - China contest below open conflict; dual ecosystems in tech and finance. Implication: India aligns with the U.S.; Pakistan remains in China's orbit; others hedge.	Indo-Pacific hardens; CPEC remains the only option; agency limited to issue-specific diplomacy.
3. Decoupled Blocs (Pessimistic)	Full bifurcation, sanctions, digital walls, coercive trade. Implication: Pakistan's autonomy erodes; reliance on China intensifies.	South Asia splits into incompatible blocs; Pakistan faces isolation unless it builds resilience.
4. Adaptive Rebalancing (Transformative)	Competition coexists with selective collaboration through mini lateral frameworks (SCO+IPEF). Implication: Pakistan adopts modular partnerships, sectoral cooperation across blocs.	Hybrid alignments allow Pakistan to engage flexibly with U.S., China and West Asia.

Near-term reality aligns with Scenario 2 Fragmented Rivalry, but Pakistan's strategic opportunity lies in steering toward Scenario 4 Adaptive Rebalancing.

Pakistan's Strategic Future

In this global and regional adaptation backdrop, we apply Inayatullah's Futures Triangle, a foresight framework to interpret the trends and derive actionable choices for Pakistan. The purpose is to equip Islamabad to convert uncertainty into strategic agency, challenging legacy dependencies and reactive policymaking.

The Futures Triangle: Pressures, Pushes and Pull

Dimension	Description	Illustrative Factors
Pressures of the Past	Legacy commitments and institutional habits	• Overreliance on U.S. security aid • Debt dependence • Civil military imbalance • India threat • Negligible regional connectivity
Pushes of the Present	Contemporary forces shaping immediate momentum	• U.S. China competition • Economic crisis • Youth bulge & climate vulnerability • Digital inequality. Deterrence challenges from India
Pulls of Preferred Futures	Aspirational narratives guiding long-term direction	• Sovereign economic resilience • Diversified partnerships • Technological self-reliance • Credible governance and stability • Peaceful & connected neighborhood • Consolidated strategic relations with West Asia/Gulf.

Pakistan has for long remained caught between the inertia of history, the urgency of crises and the vision of transformation. Recognising these competing forces clarifies why policy oscillates between dependency and autonomy. To build on the positive momentum generated in the global and regional domains, Pakistan needs to be clear and consistent in its objectives and policy goals. Pakistan's greatest strength lies not in choosing sides but in selecting economic, technological and environmental systems that build lasting credibility.

Policy Recommendations

To tap its agency, Pakistan must formulate a Strategic Navigation Plan on urgent basis encompassing actions in the global, regional and domestic domains:

Strategic Navigation Plan for Pakistan

Global

Short-Term (1–2 Years)

- Redefine Pakistan's global identity as a Bridge State, leveraging volatility to create structured opportunity.
- Institutionalize Dual Anchor Diplomacy. expand cooperation with Washington in energy, critical minerals, crypto, climate adaptation, counterterrorism (CT) and defence modernization, while advancing CPEC's industrial and digital phases with Beijing.
- Strengthen institutional ties with the U.S. Congress, State Department, think tanks and media to institutional links and counter India's influence.
- Build on the solid Defence and Economic Cooperation and Strategic Defence ties with Saudi Arabia and the Gulf. Continue to lead Global South initiatives. Enhance Development partnership with EU.

Medium-Term (3–5 Years)

- Position Pakistan as a Processing Hub for lithium, copper and rare earths leveraging western and Chinese technical expertise.
- Expand long-term CT and defence cooperation with both the U.S. and China, focusing on intelligence sharing, border security, defence equipment/training.
- Build on Green Alliance, a U.S. Pakistan Clean Energy Compact for renewables, LNG transition and grid modernization.
- Leverage climate vulnerability to attract blended adaptation finance and integrate green diplomacy into global outreach.
- Enhance educational and technology exchanges with China, EU and the U.S. through scholarships, research partnerships and youth fellowships. Continue to lead Global South initiatives.

Long-Term (Beyond 5 Years)

- Consolidate Pakistan's Bridge-state Identity through sustained engagement in climate diplomacy, energy transition leadership and CT collaboration in global forums.

- Institutionalize long-term energy and technology cooperation with both China and the U.S., including research on renewables and AI.
- Build enduring partnerships on shared interests, tech, education, youth exchange, innovation and sustainable growth, to anchor bilateral trust.
- Champion South cooperation through trade, education, people to people contacts and embedding climate resilience and energy security.

Regional

Short-Term (1–2 Years)

- China remains a strategic partner. Security, economy and technology drive sustained partnership. Co-finance CPEC projects with Gulf and West Asia partners to embed Pakistan in multi-regional value chains.
- Adopt a dual strategy toward Iran and the Gulf, border trade with Iran; strategic compact with Saudi Arabia and GCC.
- Leverage SCO. Focus on expanding ties with South Asian nations particularly Bangladesh. Stabilize relations with Afghanistan.

Medium-Term (3–5 Years)

- Work towards economic integration with Afghanistan and Central Asia including transforming the western frontier into an economic corridor linking CPEC and Central Asian connectivity.
- Solidify trade and strategic ties with South Asia including. Bangladesh, expand defence-tech cooperation with China and Turkey Explore engagement with India on depoliticizing cricket, climate, water, humanitarian issues.

Long-Term (Beyond 5 Years)

- Maintain China as anchor. CPEC Phase II: Expands from infrastructure to industry, renewables, logistics and digital Corridors to Clusters: Focus on SEZs and tech zones linking West, Central and South Asia
- Institutionalize regional stability platforms via SCO/ for climate, digital and health cooperation.
- Expand Pakistan Gulf Strategic Compact into a permanent regional economic and defence framework.

Domestic

Short-Term (1–2 Years)

- Restore macroeconomic stability through fiscal reform and debt discipline.
- Improve governance coherence via inter-ministerial coordination.
- Promote narrative shift from "frontline state" to a bridge across institutions and PME.
- Prioritize human development through education, healthcare and social protection.
- Cultivate national cohesion through inclusive education and regional equity.
- Launch AI-literacy, digital-skills and vocational programs to harness the youth bulge.
- Strengthen civil military coordination for sustained policy alignment. Improve governance.

Medium-Term (3–5 Years)

- Advance tax reform, productivity and export diversification to sustain growth.
- Expand vocational and technical education to integrate youth into regional labour markets.
- Deepen institutional agility through rule-based and data-driven governance.
- Enhance political consensus mechanisms for continuity of reform.
- Foster & strengthen regional and economic linkages through investment, energy and labour cooperation.

Long-Term (Beyond 5 Years)

- Consolidate economic transformation through innovation, renewables and digital industries.
- Embed human-capital development as a core pillar of national power.
- Strengthen institutional resilience and the rule of law for enduring political stability.

- Position Pakistan as a knowledge-driven, geo-economic bridge state in a multipolarizing world.

Conclusion

Pakistan's future is shaped by forces beyond its borders, but not beyond its influence. The return of Donald Trump has shown how quickly external political shifts can alter regional dynamics, reinforcing the need for institutional foresight and policy agility. In an environment where trade pressures, security signalling and diplomatic alignments can shift rapidly, Pakistan must move from reactive decision making to anticipatory planning, with stronger coordination across economic, security and technological domains. The global order is moving toward adaptive competition, where power is dispersed and influence flows through economic networks, technology systems and resource resilience. For Pakistan, the priority is not choosing sides but building credible systems that sustain relevance. This includes diversified energy partnerships, including calibrated engagement with Russia, integration into digital and economic networks and stronger environmental management. Long term influence will depend on consistency, institutional discipline and the ability to convert strategic location into sustained economic and geopolitical value.

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DE-DOLLARIZATION AND THE RISE OF BRICS: IMPLICATIONS FOR PAKISTAN'S ECONOMIC OUTLOOK

Dr Muhammad Arshad, Jehangir Mushtaq Virk, Munaim Raza Qureshi, Muhammad Zafeel Butt, Hamid Nasir, Nafeesa Satti, Xu Zhen (China) and Abdul Rahman (KSA)

Abstract

The post-cold war unipolar moment, characterized by the unambiguous hegemony of the United States is visibly fading, with its most pervasive symbol, the dominance of the US dollar, confronted with an organized and accelerating challenge of "de-dollarization" world over. This paper investigates the global trend of de-dollarization, an undertaking gaining significant momentum through the institutional and political leadership of the expanded BRICS bloc. It examines the geo-political drivers behind this shift, primarily the weaponization of the dollar through economic sanctions and analyses the mechanisms that BRICS is progressively developing to create a parallel multipolar financial architecture. The epicentre of this analysis rests at the profound and complex implications of this global transformation for an economically vulnerable and strategically relevant nation, Pakistan. It is argued that for Pakistan, a country embroiled in chronic economic crises and stuck up in geo-political tug of war between its enduring alliance with the United States and its strategic partnership with China, BRICS presents a tempting but perilous opening. While de-dollarization offers potential relief from the stringent conditionalities of Western led financial institutions, Pakistan's unavoidable reliance on United States export markets, IMF support and Western remittances, a reliance recently accentuated by the US-Pakistan Trade and Investment Framework (TIFA) creates a strong counter pull. Pakistan is therefore caught in the crossroads between balancing act of strategic hedging rather than a decisive pivot, a policy of navigating geopolitical fault lines that will define its economic position and national strategy for the times to come.

Keywords: Global Financial Order, De-dollarization, Geoeconomics, Weaponization of Dollar, BRICS, Multipolar World, Policy Options for Pakistan.

Introduction

The US dollar has upheld its dominance in the global financial order for over eight decades and has increasingly come under suspicion of being weaponized by the United States for political gains. This weaponization serves the United States in securing its geopolitical objectives while eroding the financial autonomy of its opponents through the self-serving monetary policies. In response, a gradual yet noticeable trend of de-dollarization is taking root in global finance, led by the expanding BRICS alliance, with China and Russia aggressively shifting the bulk of their bilateral trade into local currencies through alternative payment mechanisms.[1]

Pakistan's economy stands at a particularly delicate crossroads in this evolving landscape. It runs a current account deficit with BRICS countries while maintaining a surplus with Western nations (mainly the US and EU), yet remains heavily reliant on dollar denominated external debt. This imbalance, combined with its position as a major non-NATO ally of the US and China's all-weather partner, forces Pakistan to tread a delicate economic tightrope amid the shift toward a multipolar financial order. This unique positioning makes Pakistan an important case study for understanding the implications of de-dollarization and the rise of BRICS.

Genesis of Dollar Hegemony

The genesis of the dollar's global supremacy lies in the outcome of World War II. The earlier decades had been marked by the catastrophic collapse of the gold standard, destructive "beggar thy neighbor" policies of competitive currency devaluation and the rampant protectionism that exacerbated the "Great Depression" and eventually contributed to the outbreak of war. Accordingly, delegates of 44 Allied nations assembled at Bretton Woods, New Hampshire, in 1944. They were driven by collective desire to prevent a return to the economic chaos of the interwar period. Their objective was to construct a new international economic order created on stability, collaboration and predictable set of rules. Two competing schools of thought emerged on this occasion and the subsequent debates predicated upon conflicting views as under:

- The British delegation, led by the renowned economist John Maynard Keynes, advocated for a truly multilateral system centered on a new international reserve currency, the "Bancor", centrally managed by a global bank. This farsighted proposal was aimed at creating a balanced system where both receiver and lender nations would be obliged to align their financial policies to avert the accumulation of unsustainable global imbalances.[2]
- Maynard Keynes' suggestion offered a pragmatic solution to the disturbed financial order of the post-World War II period. However, the geopolitical realities of 1944 favoured a different plan presented by Harry Dexter White of the US Treasury Department. With its thriving economy and unrivalled industrial base, coupled with holdings of approximately two-thirds of the world's gold, the United States possessed the economic might to anchor the global financial system. Consequently, the American-led design

prevailed and positioned the US dollar at the centre of the post-war financial order.

Institutional Pillars of American Led Design

The foremost institutional pillar of the new global financial order was the International Monetary Fund (IMF). Conceived as the custodian of global monetary stability, the IMF's core mission was to promote inter-currency exchange rate stability. Every member country's currency was pegged to the US dollar at a fixed par value, while the dollar itself remained directly convertible to gold at $35 per ounce. This exceptional status made the dollar the world's unchallenged anchor currency, effectively a proxy for gold and guarantor of global economic stability. The IMF was also equipped to provide short-term financing to war-ravaged countries facing "balance-of-payments" crises. Notably, IMF governance, based on financial contributions (quotas), granted the United States the largest voting share and an effective veto over major decisions, thereby embedding American interests at the center of the institution.[3]

The second institutional pillar established at Bretton Woods was the "World Bank". Complementing the IMF's focus on short-term stability, the World Bank was tasked with long-term growth and reconstruction. Its initial mandate covered the rebuilding of war-torn Europe and Japan, later expanding to developmental projects in emerging nations. Predictably, the United States, as the largest shareholder, ensured that the presidency remained with an American national and that lending priorities aligned with Washington's broader strategic and economic objectives.[4]

The General Agreement on Tariffs and Trade (GATT), signed in 1947 as a provisional treaty, emerged from the same multilateral spirit. Though not a formal Bretton Woods institution, GATT provided a framework for the gradual dismantling of tariffs and trade barriers, ushering in an era of unprecedented global trade expansion. This surge in international commerce dramatically increased demand for a consistent transaction currency, a role the dollar was ideally positioned to fulfil.

Decades Long Dollar Hegemony

Dollar supremacy was engineered so that the currency functioned not merely as a unit of account but as the essential tool for international transactions. It became the principal reserve currency held by central banks worldwide and the leading medium for international trade and investment. Most governments either used dollars to back their own currencies or held them as foreign exchange reserves. As Joseph P. Joyce has noted, US financial markets were "unequalled in terms of breadth and liquidity," which reinforced the powerful network effects of dollar usage.[5] Deep and liquid US capital markets encouraged others to hold dollar assets as a store of value. Moreover, the US government's ability to issue large volumes of Treasury securities at low interest rates meant that trade or fiscal deficits did not immediately undermine the dollar's role. These characteristics collectively strengthened the dollar's position as the pre-eminent reserve asset, intervention currency and primary trade vehicle for the global economy.[6]

Despite its successful launch, the Bretton Woods system harboured a serious flaw known as the "Triffin Dilemma". This dilemma was identified by economist Robert Triffin and highlighted a fundamental contradiction. For the global economy to have sufficient liquidity for growth, the United States had to run persistent current account deficits and supply dollars to the world. Yet, as dollars held abroad eventually exceeded America's gold reserves, confidence in the dollar's convertibility would inevitably erode. This tension surfaced in the late 1960s and early 1970s amid the costs of the Vietnam War and Great Society programmes, which flooded the world with dollars through expansionary monetary policy. Countries such as France began converting dollars into gold, depleting US reserves. On 15 August 1971, President Richard Nixon unilaterally closed the gold window, effectively ending the Bretton Woods system in its original form. Many observers predicted that the "Nixon Shock" would end dollar dominance. However, through astute economic statecraft, its hegemony was preserved and re-anchored on a more durable foundation, the petrodollar system. Following the 1973 OPEC oil embargo and the sharp rise in oil prices, the United States forged agreements, most notably with Saudi Arabia, offering military security and investment opportunities in exchange for OPEC nations pricing, trading and invoicing their oil exports exclusively in US dollars. This arrangement created a permanent and inelastic global demand for the dollar, as every country required to import oil first had to acquire US currency.[7]

Based on research, the exorbitant privilege of US dollar dominance rests on interlocking pillars including unrivalled market depth, the power of network effects, control of financial infrastructure and geopolitical underpinning.[8]

Emergence of De-dollarization

De-dollarization is not a singular event aiming for the immediate and total replacement of the dollar. Rather, it is a gradual, multifaceted, and strategic process undertaken by various nations to systematically reduce their dependence on the US dollar. While there is no specific definition, according to Nasdaq, "Reducing the US dollar's dominance in global markets by substituting it as the primary currency for financial transactions, such as trading oil or other commodities, foreign exchange reserves and bilateral trade". Countries pursue de-dollarization on several fronts to include trade and transactions, reserves and investments and financial systems and benchmarks.

Drivers of De-Dollarization

Several interrelated factors have accelerated de-dollarization efforts in recent years. Key drivers include US sanctions and weaponization of the dollar, quest for greater monetary autonomy, bilateral and regional trade settlements, fluctuations of US monetary policy, reduction in transaction costs and exchange rate risks and risks of rising US debt.

The Rise of BRICS

The term BRIC was coined in 2001 by economist Jim O'Neill to highlight the growth potential of emerging markets. The 2008 global financial crisis accelerated cooperation among these states. The group was formalized as a leaders' forum in 2009, with South Africa joining in 2010. Today, BRICS comprises the original five members (Brazil, Russia, India, China, and South Africa) plus new members added in 2024 (Egypt, Ethiopia, Iran, and the UAE) and 2025 (Indonesia), forming a 10-member bloc. It also includes outreach to partner countries including Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Nigeria, Thailand, Uganda, Vietnam and Uzbekistan, enabling them to participate in deliberations and summits. Argentina declined membership following a governmental change, while Saudi Arabia continues to assess its invitation and remains outside the bloc for now.[9] BRICS has expanded to 20 countries encompassing 10 members (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, UAE and Indonesia) and 10 partners (Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Nigeria, Thailand, Uganda, Vietnam and Uzbekistan).[10]

This expansion has deepened BRICS's footprint across Africa, the Middle East and Southeast Asia. Energy remains central, with Iran and the UAE contributing major oil and gas reserves. Egypt and Ethiopia add significant population and geo-strategic weight in North and East Africa, while Indonesia bolsters the bloc's demographic and trade profile.

Objectives and Structure of BRICS

BRICS seeks to strengthen economic, political and social collaboration among members while amplifying the voice of the Global South in international financial governance. It advocates for fairer representation and greater effectiveness in institutions such as the UN, IMF, World Bank and WTO. Operating on three pillars of political cooperation, economic and financial security and people-to-people ties, BRICS promotes sustainable development and social inclusion. It functions as an informal, consensus-based forum with rotating annual chairmanship and summit hosting.

Share of BRICS in World GDP

BRICS represents 39.19% of the global economy (measured by Purchasing Power Parity, PPP) and 27.5% as per Nominal GDP. The expanded BRICS now accounts for almost 48 percent of world's population (3.915 billion); 38 percent of world's industrial production; 47 percent (34.67 million barrels/ day) of global oil production according to the OPEC; over 50 percent of world's natural gas reserves; and 72 percent of the world's rare earth minerals, reflecting the economic and financial strength of the expanded BRICS.[11] It represents the Global South led by China. On the other hand, the G-7 represents Global North led by the United States. It is evident that, expanded BRICS has taken over the G-7 in terms of the size of the GDP adjusted for the PPP by a wide margin (39.19% vs 28.7%), hence, a major source of rising tension between the United States and China.[12]

Institutional Expansion and Influence

NDB, also called the "BRICS Bank", became operational in 2015. With its Headquarter located in Shanghai, the NDB started with an authorized capital of $100 billion and initial subscribed capital of $50 billion, equally shared among the five founding members (each holding a 20% stake) to underscore parity and collective ownership. The NDB's mandate is to finance infrastructure and sustainable development projects in BRICS and other emerging economies, on terms that are intended to be more flexible and favorable than those of traditional Western led lenders. As of 2025, the bank had approved more than $40 billion for 120 projects. Notably, the NDB also opened its lending to other developing nations beyond BRICS: in 2021 it expanded its membership by admitting Bangladesh, the UAE, and Egypt as new shareholder countries, and later Uruguay as a prospective member. This expansion reflects its intention to be a global South Development Bank and not only limited to BRICS members. The NDB boasts itself on principles like equality among shareholders. Its manifestation comes in the form of each founding member granted one vote and no country holds veto power (unlike the US veto rights in the World Bank). It professes faster loan approval on fewer conditions.[13] However, the NDB's impact should be kept in perspective. Even with recent expansion, its capital base is five times smaller relative to the World Bank in assets. With a credit rating in the AA range, it raises funds on global markets by means like issuing bonds.

One area where the NDB has distinguished itself is its push for local currency financing. Lending in members' own currencies, the NDB aims to mitigate exchange rate risk for borrowers and to foster the development of local capital markets. As of October 2025, about 25% of NDB's lending was in local currencies, and the bank set a target to raise this to 30% by 2026. Indeed, about two thirds of the NDB's $30+ billion in approved loans have been denominated in dollars.

The CRA, launched in 2015, is essentially a $100 billion pooled reserve fund that BRICS countries can draw upon in the event of short-term balance of payments crises or liquidity crunches. It is akin to a mini-IMF for BRICS members and acts as an emergency fund to provide liquidity, if a member's currency comes under speculative attack or if they face a sudden stop in capital flows. Each member committed a portion of the total pool with China as the largest shareholder at $41 billion followed by Russia, India and Brazil sitting at $18 billion each. South Africa has a commitment of contributing $5 billion. Though these amounts are not paid-in sums but commitments that could be mobilized if needed.[14]

The Geo-Economic Contours of BRICS

Despite accounting for around 48% of the world's population, the BRICS countries collectively contribute only about 28% of global GDP. This fact reveals a stark gap between their demographic weight and economic output. This disparity also underscores the developmental and structural imbalances that still constrain the bloc's overall economic influence. India and China clearly dominate within the bloc, each making up about 18% of global population. China stands out further by contributing 17% of global GDP and 11% of global exports, underlining its central role in BRICS. Other members such as Indonesia, Brazil and Russia add smaller but still notable shares, while countries like Ethiopia, Egypt, Iran and South Africa contribute marginally to global GDP and trade; notwithstanding the fact that these countries are regionally significant. In comparison, the United States alone accounts for 26% of global GDP and Europe for 18%, revealing the fact that while BRICS holds demographic advantage, its collective economic output especially in nominal terms still trails the G7 and the West.[15]

Nonetheless, Chinese holdings of $1.316 trillion of US treasury securities in November 2013 fell to about $759 billion by June 2025; a sharp 42% decline over eleven years. This divestment reflects Beijing's broader strategy to diversify its foreign exchange reserves.[16] Intra BRICS trade revolves around China: the biggest corridors are China-Russia ($244.8 bn), China-India ($138.5 bn) and China–Brazil ($158 bn), reflecting a pattern of commodities (oil, gas, iron ore and soy etc) flowing to China and manufactured goods and equipment flowing out. The intra BRICS trade structure underscores both China's centrality and the bloc's asymmetry.[17]

BRICS' push on cross-border payments is evolving through interoperable rails and CBDC pilots rather than a single bloc currency: at the 2024 Kazan summit, leaders backed work on a BRICS cross-border payments initiative to expand local-currency trade, with Russia promoting a DLT-based "BRICS Bridge" concept; yet partners signaled caution and progress has been slow. In parallel, the proposed BRICS Pay messaging framework envisions linking national systems (e.g. India's UPI, China's CIPS) for cheaper, faster settlement, while multi-CBDC experiments like the BIS Project Bridge, with China and the UAE participating, reached MVP (Minimum Viable Product) in mid-2024 and advanced further in 2025. In response to Western sanctions and the dominance of Visa and MasterCard, Russia launched the MIR payment system, while China expanded its UnionPay network globally as credible alternatives for cross border transactions within and beyond the BRICS bloc.

De-Dollarization and BRICS Membership - Implications for Pakistan

The dollar's dominance is marked by discernible decline in the US dollar's share of global reserves (reserves has dipped to 57%) and trade invoicing (decreased by 50%). This shift is further enhanced by the BRICS expansion marked by the induction of Ethiopia, Iran, UAE and Egypt in 2024 and Indonesia in 2025. Furthermore, this tendency is exemplified by evolving economies all across Africa and South America, which are pursuing de-dollarization to mitigate domestic burdens of inflation, debt distress and commodity dependence. Pakistan's strategic position in this dynamic economic landscape is highlighted by the ongoing progress in de-dollarization and nd potential BRICS engagement, offering alternates for prudent diversification while preserving geopolitical neutrality.

Major Takeaways

- Eliminating dual conversion fees (PKR-USD-CNY) saves 15–20% on $25-30 billion China trade, yet RMB convertibility and liquidity issues may heighten short-term volatility, exacerbate debt servicing challenges (90% USD) and limit gains without broader reforms.
- Integrating with CIPS and mBridge enables instant and low-cost settlements. However, inadequate cybersecurity, digital risks and delay in adoption will expose to new vulnerabilities in non-USD systems.
- De-dollarization remains a gradual diversification process, as the dollar will continue to dominate remittances (8% of GDP) and sovereign debt. This incomplete and prolonged shift may result in temporary dollar shortages and economic instability.
- BRICS provides a financial platform to counterbalance Western economic dominance and diversify diplomatic and economic partnerships. However, formal BRICS membership may be viewed as a challenge to the US-led order and strain relations with Western partners.

- Membership unlocks access to significant development financing from the NDB. However, additional financing could reduce the imperative to undertake essential structural reforms.
- Integration into the bloc could boost trade and attract up to 25% more FDI, but it requires substantial upfront investment to meet BRICS economic and technical standards.
- Membership facilitates long-term local-currency supply agreements and provides predictable import costs to manage the trade deficit. However, over-reliance on a single trade bloc for critical needs may jeopardize Pakistan's supply-chain resilience.
- Flexible NDB frameworks will ease certain conditions, but India's potential veto and risks of CAATSA sanctions necessitate careful navigation alongside FATF compliance.

Broad Policy Options and Recommendations

Option-1: Constructive Engagement with BRICS and Prudent De-dollarization

Pakistan engages with BRICS nations through bilateral trade and infrastructural partnerships while managing Western ties. It gradually encourages local currency trade with BRICS partner and diversifies its primary reserves without sudden shifts.

Pros

- Secures new opportunities within BRICS bloc while maintaining vital access to Western markets (GSP+, USA) and IFIs.
- Focuses de-dollarization where it matters most, such as energy imports from UAE, Russia and Iran, while machinery and raw materials from China etc.
- The gradual approach to de-dollarization minimizes potential for economic instability and systemic shocks besides reducing dollar dependence.
- Achieves substantive cooperation without requiring formal BRICS membership, thus avoiding a potential Indian veto.

Cons

- As a non-member, Pakistan would have limited influence in BRICS decision-making.
- It requires sophisticated mechanisms and rules for risk-free management of a complex multi-currency framework.
- It risks missing early-mover advantages in the emerging multipolar financial architecture.
- It demands constant diplomatic efforts to reassure both blocs of continued cooperation

Option 2: BRICS Membership and Prudent De-dollarization

This option involves Pakistan rigorously pursuing full membership in BRICS and prudent de-dollarization while attempting to maintain Western ties.

Pros

- Seat at the BRICS decision-making table.
- Full benefits from NDB, CRA and other BRICS mechanisms.
- Formal recognition as emerging economic player with a middle power status.

Cons

- An Indian veto would make securing membership difficult.
- A membership bid alone would trigger severe economic and diplomatic repercussions from the US and EU.
- It is a high-risk path with unguaranteed benefits.

Option 3: BRICS Membership and Active De-dollarization

Full alignment with BRICS combined with shift away from dollar system.

Pros

- Potentially the strongest ties with the China-Russia axis within the bloc.
- Positions Pakistan as an early adopter and potential architect of emerging alternative financial systems
- Provides clear and unambiguous strategic direction.

Cons

- Potential loss of GSP+, IFIs access and Western markets.
- May trigger deep economic crises.
- Indian veto remains, making membership difficult.

Recommendations

In the prevailing fragile global financial environment, Option 1 "constructive engagement with prudent de-dollarization" is the most appropriate and viable path for Pakistan. It provides economic security and a way forward to build new alignments within the BRICS bloc while reducing financial risks without compromising ties with the West or national interests. Recommendations are structured across short-, medium- and long-term horizons

Short Term Recommendations (1-3 Years)

Economic Measures

- **Diversify Financing Sources**: Diversify financing sources through RMB denominated Panda Bond issuance (estimated RMB 1 billion). This will strengthen financial linkages with BRICS economies and support import financing for CPEC and industry products while reducing dependence on the dollar.
- **Currency Swap Lines**: The State Bank of Pakistan (SBP) should facilitate fuller utilization of existing swap agreements with China (RMB 30 billion), which need to be expanded by at least one-third within two years (additional RMB 10 billion). Similar arrangements with the UAE and Saudi Arabia can provide an additional liquidity buffer.
- **Diversification of Foreign Reserves**: Pakistan's reserves remain dollar-concentrated, amplifying vulnerability to US monetary policy cycles. The SBP should gradually shift 5% to 10% of its reserves into RMB, Dirham and Riyal, aligning with global trends.
- **Barter Trade Agreements**: Barter trade with Iran (agriculture and livestock products for oil and gas) should be expanded. This will not only reduce dollar denominated oil import bill but will also establish strong linkages with the BRICS members. Ministry of Commerce should facilitate and explore similar arrangements with other GCC countries

Governance and Institutions

- Approximately 80% of Pakistan's debt is dollar denominated. The Ministry of Finance and economic Affairs Division should introduce a currency risk management framework, requiring new sovereign borrowing to include currency mix ceilings and hedging clauses for smooth repayment exposure.
- Enhance diplomatic engagement within the BRICS bloc, to attain NDB membership by leveraging bilateral relationships with China, Russia and fellow Muslim countries to overcome India's resistance or veto.

Mid-Term Recommendations (3-5 Years)

Economic Measures

- **Local Currency Trade Agreements**: Conclude local-currency trade settlement agreements with GCC countries and Indonesia. This will shift a significant portion of massive oil and edible-oil imports (around 36% of the import bill) to local-currency payments, directly easing pressure on dollar reserves.
- **NDB Financing**: Secure NDB financing for import-substitution and export-enhancement projects, including agriculture (soybeans and oilseeds) and renewable energy initiatives in line with BRICS priorities.
- **Improving Trade Debit with China**: Address the trade deficit with China through a targeted two-pronged strategy: mandate RMB/PKR settlement for key imports (machinery and electronics) and launch an aggressive export drive into the Chinese market, leveraging the CPFTA and global compliance standards for meat, seafood and fruits

Governance and Institutions

- **Digital Cross Border Payment Infrastructure**: Develop digital cross-border payment infrastructure based on the SBP's "Raast" system for simplification of trade and financial dealings in local currencies. This should be gradually integrated with China's CIPS, Russia's SPFS and UAE's Buna. These systems will permit instant, low-cost transactions with key partners while bypassing dollar dependent channels.
- **Regulatory Framework**: State Bank of Pakistan should establish a robust regulatory framework with strict AML/CFT, cybersecurity and interoperability standards to govern multi-currency cross-border payments.

- **Institutional Support**: Launch "Pakistan Trade Houses" in key business hubs including Dubai, Johannesburg, São Paulo and Jakarta, to provide on-the-ground support, market intelligence and regulatory assistance to exporters in negotiating local regulatory hurdles.

Diplomatic Engagements

- **Partner Country Status in BRICS**: Actively pursue "Partner Country" status in BRICS to gain indirect yet impactful influence in investment and trade policies while deepening bilateral ties. This platform will go a long way in deepening specific bilateral economic ties leveraging Brazilian agriculture technology, South African mining sector and African market access.

- **Engagement with BRICS**: Frame BRICS engagement with Western partners as a drive for economic stability rather than an anti-Western pivot, positioning Pakistan as a reliable trade partner for both bloc. These engagements can help avoid diplomatic backlash and economic sanctions, ensuring continued confidence and support from traditional western allies and IFIs.

Long-Term Recommendations (5 Years and Beyond)

Economic Measures

- **Achieve Energy Independence Through Green Transition**: High-cost energy cripples competitiveness and drains foreign reserves. Active diversification under the Indicative Generation Capacity Expansion Plan (IGCEP) 2021–2030 and the Alternative and Renewable Energy (ARE) Policy 2019 will substantially reduce the dollar-denominated import bill while aligning with BRICS priorities. It will not only boost industrial competitiveness and address BOP issues on durable basis but will also be in line with the BRICS bloc's interests.

- **Gradual De-dollarization of External Debt**: Pursue gradual de-dollarization of external debt with a 10-year target to reduce the share of dollar-denominated public debt from 80% to 65%, substituting it with loans or bonds in alternative currencies. The SBP and Finance Ministry should jointly develop a multi-currency debt index to benchmark new borrowing.

- **Transformation into High-Value Exports**: Transform exports toward high-value chains in both BRICS and Western markets, focusing on information technology, pharmaceuticals, engineering goods and certified food products. This requires concessional finance at 3% lower interest rates, zero-duty raw material imports under the Export Facilitation Scheme, TDAP-supported trade fairs and enhanced trade infrastructure (EDF Projects).

Rider Clause

- **Strategic Hedging**: Pakistan should maintain macro-financial links with the dollar system while incrementally integrating with emerging financial architectures to preserve access to IMF, World Bank facilities, Western markets and GSP+ preferences along with benefiting from BRICS initiatives such as the New Development Bank (NDB).
- **Export Diversification**: Focused efforts are needed to improve the trade deficit with BRICS and enhance the surplus with the West. For Western markets, value-added textiles, leather and surgical goods should be prioritised; for BRICS markets, both traditional and non-traditional exports (agriculture products, livestock, generic pharmaceuticals, engineering goods, fisheries, gem & jewellery and IT) should be aggressively expanded.
- **National Task Force**: A National Task Force under the Deputy Prime Minister, comprising the Ministry of Finance, SBP, Ministry of Foreign Affairs, Planning Commission, Economic Affairs Division and think tanks, should be established to evaluate the costs and benefits of de-dollarization and BRICS engagement on a quarterly basis

Conclusion

Pakistan's success will ultimately depend on blending effective reforms, pragmatism and diplomatic balance while navigating the emerging multipolar financial order. Its economic vulnerabilities including persistent debt, dollar dependence and structural trade imbalances, demanding a strategic recalibration in line with the shifting global economic landscape. Constructive engagement with the BRICS bloc, coupled with measured participation in de-dollarization frameworks, offers the clearest path toward greater trade surplus, financial autonomy and resilience while maintaining balanced relations with all major financial stakeholders.

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MIDDLE EAST (ME) GEOPOLITICAL LANDSCAPE: ABRAHAM ACCORDS, MIDDLE EAST PEACE PROSPECTS, INDO-ISRAEL NEXUS AND IMPLICATIONS FOR PAKISTAN

Ajab Khan, Shoaib Usman, Syed Fassih Ul Hasan, Mohsin Sheraz Abbasi, Azfar Khaleeq, Rabia Shafiq, Mohamad Hussain Najem Abdullah (Bahrain), Saddam Ahmad Hamad Omar (Palestine)

Abstract

The Middle East is passing through a period of deep uncertainty, shaped by long-standing ideological conflicts, shifting alliances and renewed great-power competition. This paper explores how recent developments particularly the Abraham Accords, the Gaza war after 7 October 2023 and United Nations Security Council Resolution 2803 (2025) are reshaping regional politics and the prospects of peace. It revisits the historical roots of the Israel-Palestine conflict, including the ideological divide between Zionism and Judaism and the evolving idea of "Greater Israel," linking these to present-day settlement expansion and governance challenges in the occupied territories. The paper examines the role of the key players in Middle East including United States (US) and China how these trends affect Pakistan's national security and foreign policy choices. The study argues that while new diplomatic frameworks have reduced immediate violence, they fall short of addressing the core political drivers of the conflict, especially occupation, settlements and Palestinian self-determination. In this context, Pakistan's stance shaped by constitutional principles, public sentiment and regional commitments requires careful balance between strategic realism and moral consistency.

Keywords: Greater Israel, Trump 20 Point Peace Plan, Abraham Accords, Indo-Israel Nexus, Pak-KSA Strategic Mutual Defence Agreement (SMDA)

Introduction

The Middle East remains a nexus of religion, ideology and strategic resources, overlaid by hegemonic ambitions, proxy conflicts and shifting alliance patterns. These dynamics continuously reshape the regional security architecture with direct implications for geopolitics. Since the creation of Israel, successive Arab-Israeli wars and crises have compelled major powers to recalibrate their foreign policies, military postures and security partnerships in line with their own national security interests. The events of 7 Oct 2023 and the continued genocide in Gaza disrupted the regional and global order, triggering public backlash worldwide. Ideology of "Greater Israel" and hardliner Zionist re-entered the mainstream while getting unconditional support from the west. Prolonged violence in Gaza, Israel-Iran escalation and Israeli strikes across neighbouring states have disturbed the regional balance of power. States are hedging through new security arrangements, pushing Palestinian question to the margins of regional diplomacy.

The latest UN resolution on Gaza Peace Plan (2803 dated 17 Nov 25) to affect the peace plan is not the closure of issue; it is the bell for next round. Apropos, the paper analyzes ideological and strategic foundation of greater Israel, Abraham Accords vis-à-vis Middle East (ME) geo- political landscape, ME peace prospects in view of recent developments and implications for Pakistan's national security. The paper will also assess following aspects and shall offer a perspective as follows:

- Peace prospects/Palestinian statehood in light of recently passed UN Resolution (2803) for durable peace in the ME.
- Implications of Indo-Israel nexus on Pakistan.
- View Point - Actualization of Abraham Accords and Pakistan's policy alignment in view of Pak-KSA Strategic Mutual Defence Agreement (SMDA).

The 'Greater Israel' movement formally emerged post 1967, after Israel captured the West Bank, Gaza, Sinai and Golan Heights.[1] The "1982 Oded Yinon Plan" proposed fragmenting neighbouring Arab States to ensure Israel's regional dominance, reflecting expansionist aims aligned with "Greater Israel". It's interpretations vary as follows:

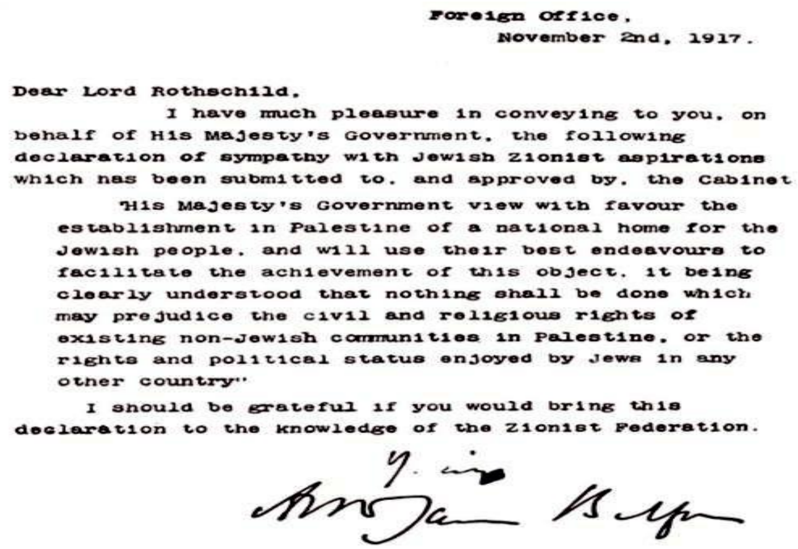
- Minimalist (Biblical Core). Jordan River to Mediterranean Sea i.e., complete control of the West Bank.[2]
- Maximalist. From Nile (Egypt) to Euphrates (Iraq/ Syria).
- Strategically Required (current trajectory). Control or influence over buffer zones in Lebanon, Sinai and Golan Heights.[3]

Currently, the concept of Greater Israel is being practically manifested in the form of expansion of the West Bank settlements, legalization of outposts and annexation. Discourse (especially under Netanyahu and religious-zionist ministers) reflects this ideology as under:

Periods	Key Developments	Reflection of 'Greater Israel'
1948-1967	State consolidation and security focus	"Greater Israel" remained symbolic; limited to cultural discourse
1967-1977	Post-war expansion and settlement surge	Religious nationalism merged with state policy; settlements in occupied territories began
1977-1995	Likud rise; Begin, Shamir eras	Political legitimization of settlement enterprise; autonomy proposals avoided full withdrawal
1990-2000	Oslo Accords and withdrawal debates	Split between "Greater Israel" idealists and "Two-State" pragmatists; ideological polarization
2010s-Today	Right-wing dominance and annexation	Persistence of "Greater Israel" rhetoric in nationalist parties; de facto control in West Bank and settlements

The 1917 'Balfour Declaration' backed a Jewish homeland on 78% of Palestinian land - planted the roots of modern conflict.[4] The letter below (Figure 1) from British foreign office to Lord Rothchild (a prominent Jewish businessman, later his family controlled world financial system) is a testament of having a biased, secretive support for Zionist movement from a position of authority.[5]

Figure 1: Letter from British Foreign Office to Jewish Leader - 2nd November 1917



Foreign Office,
November 2nd, 1917.

Dear Lord Rothschild,

I have much pleasure in conveying to you, on behalf of His Majesty's Government, the following declaration of sympathy with Jewish Zionist aspirations which has been submitted to, and approved by, the Cabinet

"His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country"

I should be grateful if you would bring this declaration to the knowledge of the Zionist Federation.

Y. ... Arthur James Balfour

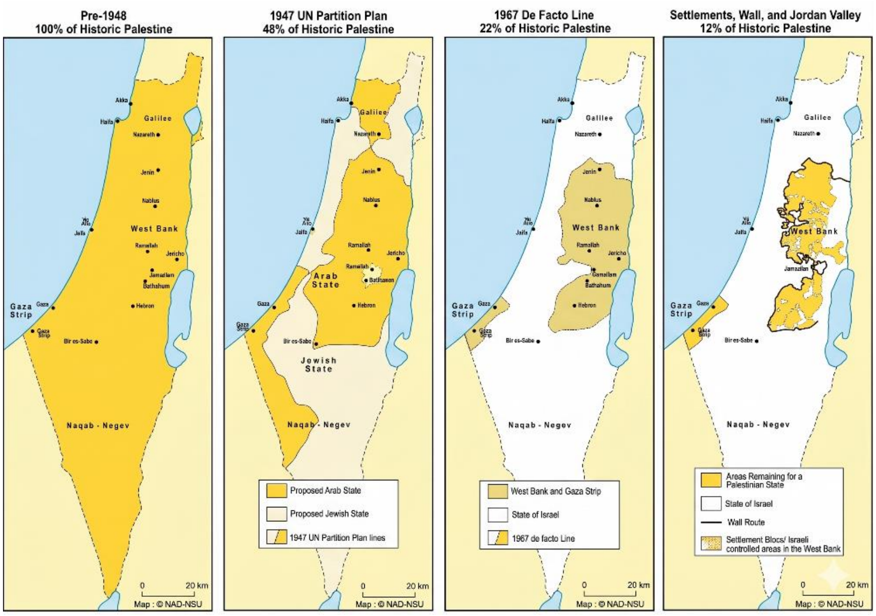
In 1948, Israel's creation and Arab invasion displaced 750,000 Palestinians; the 1949 Armistices froze borders and gave birth to concept of 3rd Population.[8] The 1956 'Suez Crisis' exposed British decline but paved the way for the '1979 Egypt-Israel Treaty', the first Arab normalization. The 1967 'Six-Days War' saw Israel capture Sinai, Gaza, West Bank, Golan and East Jerusalem. The 1973 'Yom Kippur War' led to the 'Camp David Accords' (1978-79) returning Sinai and setting a peace template. The 1982 'Lebanon War' expelled the PLO but gave birth to Hezbollah. The 1993-95 'Oslo Accords' brought PLO-Israel recognition and created the Palestinian authority, yet settlements expanded. The years since Oslo agreement have seen a marked de-development process. From 2008-2021, four Gaza wars killed thousands; ceasefires failed to yield resolution. The 2020 'Abraham Accords' normalized ties between Israel and 4 countries UAE, Bahrain, Morocco and Sudan (under parliamentary approval / Kazakhstan agreed to join) by-passing Palestine issue.

Hostilities climaxed on 7 October 2023, when Hamas in resentment to decade-old suppression launched operation Al-Aqsa Flood reportedly killing 1189 people and taking 251 hostages. Israel's reaction was genocidal, killing tens of thousands including women, children's, elderly and displacing over 2 million till ceasefire was reached on 10 Oct 2025, however the genocide still continues.

Palestine

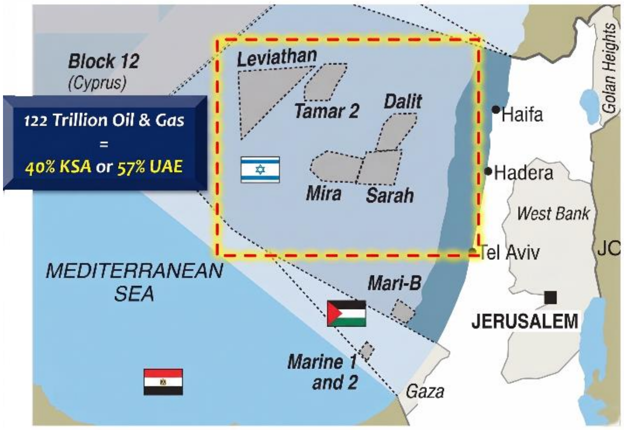
The Palestinian land has been reduced to 12% since 1948 (Figure 2). Historically, it refers to the territory between the Mediterranean Sea and River Jordan, extending south to Sinai and north toward Lebanon.[6] Major cities include Jerusalem (Al-Quds), Ramallah, Nablus, Hebron and Gaza City.

Figure 2: Reduction in size of Palestinian land since 1948 (100%) to 2025 (12%)



Today, the term applies mainly to the West Bank (including East Jerusalem) and the Gaza Strip - two separated territories comprising about 6,025 km^2 (West Bank 5,660 km^2, Gaza 365 km^2). Palestine's population numbers combined in West Bank and Gaza is approx 5.4 million out of 15.2 million all across the world. Around 93% are Sunni Muslims with Christian and Jew in minorities. As per recorded data till Oct 2025, 141 illegal settlements were established in West Bank by Israel including 224 outposts (settlements after 1990s). The total number of illegal settlers has grown to above 750,000 in yr 2025.[7] Geologists' resources have confirmed that occupied Palestinian territory lies above sizeable reservoirs of oil and natural gas wealth - West Bank and Mediterranean coast, off the Gaza Strip (Figure 3).[8] The new discoveries of oil reserves in Levant Basin amounting to 122 tn cft at a net value of $590 bn (equivalent 40% KSA and 57% UAE oil reserves).[9]

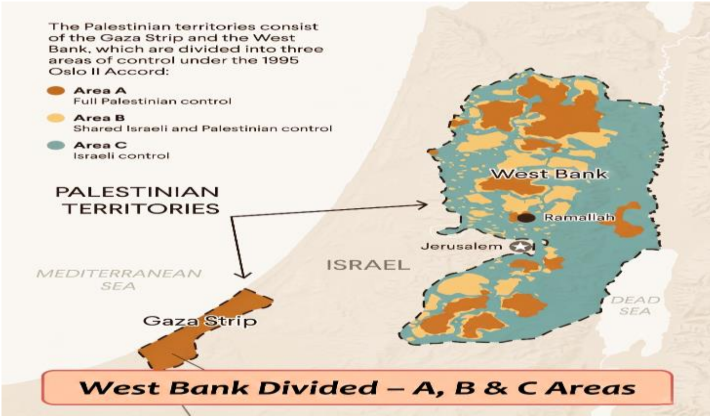
Figure 3: Confirmed Oil & Gas Reserves of Palestinian Coast



Statehood and Governance

Fatah (dominant faction), founded in late 1957 as political struggle for secular Palestinian national cause. The Palestine Liberation Organization (PLO), established in 1964, sought to unify Palestinian nationalist groups. Led by Yasser Arafat from 1969, the PLO gained international recognition as the representative of the Palestinian people. Hamas, formed in 1987 during the First Intifada, emerged as indigenous resistance group founded from Muslim Brotherhood ideology rejecting the secular nationalism of the PLO.[10] The State of Palestine, declared in 1988 and recognized by 157 countries (2025), holds UN observer status but has a limited sovereignty. Under Oslo (1993-95), the West Bank is divided into 'Areas A, B and C' (Figure 4); with most land and resources under Israeli control. The Palestinian Legislative Council (1996) is largely inactive; President Mahmoud Abbas leads the PA from Ramallah. Governance is fragmented, under occupation and financial dependency as third population.[11]

Figure 4: Division of Palestinian Land under A, B & C Areas



Geopolitical Landscape of Middle East

Before drawing relevant implications on Pakistan, it is important to map the evolving geopolitical architecture of the Middle East, US-Israel core, regional balances and great-power competition as the structural backdrop to the Palestinian Statehood aspiration in light of Trump 20 Point Peace plan / UN Resolution 2803. US strategic interests in the Middle East continue to define the core US strategic calculations indispensable for its national interests-safeguarding oil needs, protecting global energy supply chains, ensuring freedom of navigation, countering adversarial alliances and preventing a nuclear-armed Iran.[12] The US holds about 2% of world's oil reserves but consumes nearly 1/4th of its production, 10% of which comes from the Middle East. This explains US robust control of three strategic energy chokepoints (Strait of Hormuz, the Suez Canal and Bab al-Mandab). The 1973 OPEC oil shocks to US triggered by Yom Kippur War in shape of Arab oil sanctions to US, prompted US policy shift to secure military bases, make alliances, install pro-regimes for oil security and other policy cornerstones. On the economic front, US shows concerns over Beijing's expanding influence, as a direct challenge to its own influence. China- Middle East trade topped $444.2 bn and marked a 46% of China's oil and gas imports from the Middle East.

US-Israel 'Strategic Partnership' has institutionalized strategic alliance with Israel at the core of the United States Middle East, policy underpinned by US evangelical support (55% population) for Israel.[13] President Truman granted recognition to Israel right after 11 minutes after its declaration of independence; the US briefly balanced ties with Arab states (notably pressuring Israel after Suez 1956), but the 1967 and 1973 wars and the 1973 "Operation Nickel Grass" airlift transformed US-Israel ties into a firm strategic alliance. By the 1980s, the partnership was fully institutionalized. Israel became a major non-NATO ally and gained privileged access to US defense technology. Congress and successive administrations pledged consistent military assistance. US aid to Israel tops $318 billion (the largest recipient since WWII). Israel's transfer from EUCOM to CENTCOM in January 2021 has deepened US-Israel military cooperation. The diplomatic and military shield exemplifies the "special relationship," protecting Israel.[14] Since 1983, US has used 53 vetoes to block resolutions viewed as unfavorable to Israel. Organizations like AIPAC and its affiliated United Democracy Project (PAC) spent nearly $100 million in the 2024 US elections to back pro-Israel candidates.[15] The US-Israel Free Trade Agreement (FTA) signed in 1985 is the US first FTA that has risen bilateral trade to 473% in 2024 ($23.4 bn).

The '*Abraham Accords*' and regional realignment are US-brokered normalization agreements between Israel and selected Arab / other states bypassing the Palestinian issue.[16] These agreements symbolized an unprecedented willingness among Arab governments to move beyond the Palestinian issue in pursuit of security, technology and investment. For US, the Accords represent a strategic win, increasing US influence, containing Chinese influence and strategically isolating Russia. For Israel, the benefits are even greater: political legitimacy, access to Gulf investment and open diplomatic channels with Arab capitals. For Pakistan, Abraham Accords redefine the regional environment within which Islamabad must weigh its policy options in the context of Pakistan–Kingdom of Saudi Arabia Strategic Mutual Defence Agreement.

Regional Balances

Qatar acts as a mediator (Taliban, Egypt, Hamas, Sudan etc), hosts US Central Command at Al- Udeid (13,000 troops). Since 2014, Qatar has served as a conduit with Israeli consent for Israel- approved aid transfer to Hamas in Gaza under a "quiet for quiet" arrangement.[17] Crown Prince Muhammad Bin Salman's visit to US (17^{th} Nov, 25) secured F-35 deal including $1 Tn investment in the US is a key inflection point. KSA also hinted on conditional joining of Abraham Accords, if the '*Two State Solution*' is met. Egypt's relationship with Israel has evolved from confrontation to cooperation. Since Camp David (1978), Egypt became the first Arab State to recognize Israel and played a central role in the Gaza peace deal (13^{th} Oct, 2025); nevertheless, Egyptian public opinion largely opposes normalization, viewing it as a betrayal of the Palestinian cause.[18] Jordan is viewed as a regional buffer state by Israel towards the East and it enhances Israeli regional security interests through peace treaties (1994) and continues to cooperate on intelligence, air defence and counterterrorism specially to deter Iranian influence. Turkiye oscillates between diplomatic confrontation and economic cooperation. It was the first Muslim-majority state to recognize Israel (1949). Post 7^{th} Oct, 23, Ankara condemned Israel (backed South Africa's ICJ case and recalled its ambassador), yet bilateral trade tops $7 Bn and Turkish pipelines supply 40% of Israel's oil imports.[19]

Iran's regional clout rests on its energy reserves, control of the Strait of Hormuz, nuclear programme and ideological enmity with Israel, which together define its larger role in the Middle East. The '12-day Iran-Israel War' heightened the risk of wider regional escalation. Iran's post-war position will also consider Pakistan's mutual defence agreement deal with Saudi Arabia which may have wider regional implications. India-Israel ties imply a shared impress of expansionist designs, ideological simultaneity, occupational approach, demographic alteration and strategic marginalization of international issues within an increasingly polarized international order.

Great Powers Dynamics

Russia treats Israel as a pragmatic partner in its ME strategy: despite ties with Iran and Assad regime, Moscow coordinates with Israel as *"friendship balancing"* that preserves influence on both sides and is reinforced by a large *Ashkenazi Jewish* diaspora in Israel. Post disintegration of USSR, over 1 million Jews settled in Israel from Russia. With Russian-speaking immigrants residing in Israel, around 15% (2 million) of the Israeli population, establish a historic bond between Russia and Israel. During a press briefing in Feb 2025, President Putin said that *"Many of our people live in Israel families, friends, Russian-speaking citizens and this cannot be ignored"*.[20] The EU remains Israel's largest trading partner, accounting for about a third of its exports to Israel.[21] The Gaza genocide eroded Israel's diplomatic space within a polarized EU (Spain, Ireland recognizing Palestine) mostly symbolic. UK-Israel relations remain substantive, however, post 7th Oct, 2025, these relations have constrained by symbolic support for resolution of the Palestinian cause due to public protests. China's emergence as an economic powerhouse has profoundly reshaped regional dynamics. Beijing's strategy combines economic engagement, political neutrality and non-interference with all sides. In Israel, China has invested in ports, railways even in settlement projects and it has become a growing player in the Israeli high-tech sector. Through the Belt and Road Initiative, Beijing has invested heavily across the Middle East, building infrastructure, ports and energy projects. China is now the largest trading partner of GCC with trade volume $298 billion in 2024 and has $16 billion of trade with Israel.[22]

Palestinian Statehood Aspirations

Thirty-two years after Oslo, Palestinian statehood is again at the centre of global diplomacy. The current UN Resolution basing on Sharm El-Sheikh peace accord (13th, Oct 2025 - 20-point Gaza peace plan) is a significant inflection point. The key question is: what has changed and what remains the same? The peace plan has paused large-scale violence but its political design remains constrained. US approach marks a tactical shift yet avoids explicit commitment to a ‘Two-State’ outcome. For Israel, even a conditional “pathway” to statehood is unacceptable; Prime Minister Netanyahu reaffirmed this at UNGA (26th, Sep 2025), evident from the statement:

> *“Giving the Palestinians a state one mile from Jerusalem after Oct 7th is like giving Al-Qaeda a State one mile from New York City after Sep 11th. This is sheer madness. It’s insane and we won’t do it… Israel will not allow you to shove a terror state down our throat”.*

Despite diplomatic momentum, the number of illegal settlers has arisen from 264,000 (1993) to over 502,000. The proposed International Stabilization Force (ISF) also lacks clarity on composition, mandate and deployment; raising concerns of replicating the inconsistencies/ failure seen in UN missions. Since the Oslo Accords, core dynamics underlying the conflict remain unchanged. The Two-State Solution persists as a declaratory position without enforcement, enabling continuous settlement expansion while reinforcing a deep power imbalance. The US policy still privileges process over outcomes, while international legal findings accumulate without mechanisms for the implementation. This has entrenched Palestinian fragmentation and normalized conflict management as the de facto end state. In this backdrop ‘*Trump 20-Points Plan*’ sidesteps main drivers of the conflict:

- There are no credible provisions for the accountability of genocide, war crimes or systemic violations during the Gaza war.
- Israeli military occupation, settlement infrastructure and Area A/B/C arrangements remain structurally intact/ unaddressed in the West Bank.
- There is no binding, verifiable freeze or rollback of settlements, including flashpoints such as E1 expansion project.
- The political and religious status of East Jerusalem is left unresolved-a central symbolic and legal fault line.

What Has Changed (2023 - 2025)

The overwhelming recognition of Palestine by 157 states has somewhat changed the diplomatic landscape. This collective support establishes statehood as a political reality, decisively rejecting the model of a perpetual 'process' that yields no tangible progress. President Trump’s Peace Plan, later endorsed by UNSC, positions US not as a mediator but as ‘Project-Manager of Peace’. It establishes an international “Board of Peace,” chaired by the United States, to supervise Gaza’s demilitarization, reconstruction and political transition, an interventionist, management-driven model with no precedent. Israeli strikes on Qatar mark a deeply troubling new trend of taking unilateral military action even against a neutral diplomatic host. This reflects a growing unreliability in Israeli conduct and a readiness to operate with impunity, disregarding long-standing diplomatic norms, protections and international legal conventions. Across Western societies and the Global South, sustained public pressure has reshaped government positions on ceasefire, accountability for Israeli actions and the need for a credible political end-state. The Knesset's 71-13 vote for a non-binding annexation motion in July 2025, re-exposed long-standing annexationist currents. On 14th Aug 2025, Israel's Finance Minister (Bazalel Smotrich) revived 'E1 plan' of making 3,000 units, explicitly renouncing that it will "bury the idea of a Palestinian State".

Palestinian Statehood Scenarios

Keeping above geopolitical developments and Israel's actions in view, the trajectory of Palestinian Statehood aspirations will hinge on four pathways as under:

- **Fragmented Status Quo (Most Likely)**: This scenario entails the *"Trump Plan"* being implemented as a long-term Gaza management scheme, normalizing its separation from the West Bank. Concurrently, Israel accelerates de facto annexation in the West Bank through settlement expansion, permanently foreclosing a viable, sovereign Palestinian State and cementing a reality of perpetual conflict management.
- **Compromised Two-State Solution**: This scenario involves a forced exodus of a significant portion of Gaza's population, creating a new demographic and territorial reality. A subsequent "two-state" framework is then imposed, granting limited autonomy in a shrunken, disconnected West Bank but falling fundamentally well short of genuine Palestinian sovereignty, contiguity and self-determination.
- **Two-State Solution**: This scenario requires a revitalized diplomatic process based on a full settlement freeze and reciprocal security guarantees, leading to the establishment of a sovereign Palestinian state within delineated borders based on the 1967 lines with agreed swaps.
- **One-State Solution (Least Likely)**: This scenario involves the collapse of the Two-State paradigm, leading to a one state solution with Palestinians having equal rights.

Concluding Thoughts – Implications on Pakistan

After having examined the historical evolution of the Israel-Palestine conflict, the shifting geopolitical architecture of Middle East and emerging trajectory of

Palestinian Statehood, this section will analyse central question: what do these regional transformations mean for Pakistan? This section connects the analytical strands developed earlier and translates them into strategic implications for Pakistan's diplomacy, security posture and policy choices in a rapidly evolving Middle Eastern order as under:

- Implications of UNSC 2803 and emerging Palestinian Statehood pathway for Pakistan's - diplomatic posture.
- Indo-Israel nexus affecting Pakistan's national security.
- Actualization of Abraham Accords and Pakistan's policy alignment in view of Pak-KSA SMDA.

The analysis done in previous part makes one point unmistakably clear: while UNSC 2803 and the '*Sharm-ul-Sheikh'* framework have shifted the diplomatic environment, they have left the core structural drivers (West Bank occupation, settlement expansion - including E1, East Jerusalem and accountability) of the conflict unresolved. It is within this constrained and evolving reality that Pakistan must now re- assert its foreign policy to demand the implementation of UN Resolution 2803. How should Pakistan vote for the operationalization of Resolution 2803. On *Statehood and Palestinian Recognition Resolutions,* Pakistan should vote in favour of all resolutions that:

- Reaffirm Palestinian statehood on 1967 borders with East Jerusalem as capital.
- Condemn settlement expansion, annexation moves / demographic engineering.
- Call for implementation of International Criminal Court findings and protection of civilians.

Pakistan should seek 'amendments' or consider 'abstention' where draft resolutions: Rebrand the conflict solely as a "Gaza security / humanitarian issue"; or Sidestep West Bank, Jerusalem and illegal settlements altogether. On the diplomatic front (UNGA and OIC), Pakistan should maintain a rights-based, occupation- centred posture emphasizing self-determination, illegality of settlements and the need for enforceable timelines. It should make use of thematic debates to underscore that Gaza arrangements under UN Resolution 2803 cannot be a substitute for a comprehensive settlement. Where applicable, it should support calls for independent verification mechanisms that report to the UNGA, not just to a US-led Board of Peace. It should work to link any OIC-endorsed normalization or reconstruction initiatives to clear benchmarks: settlement freeze, halt to annexationist legislation and an agreed political horizon for a viable Palestinian state. In bilateral, regional and multilateral diplomacy, Pakistan should adopt a dual-track framing. It should describe the plan as a *Gaza management framework* that must be nested within not replace, a broader process addressing West Bank, Jerusalem, refugees return and accountability. And, it must emphasize that UN Resolution is not a substitute for a final status settlement and do not fulfill the original promise of Oslo or the Two-State vision. For Pakistan, the prudent course is: to vote consistently for statehood, accountability and anti-annexation measures, maintain an occupation-centred narrative in UNGA / OIC, and frame UN Resolution 2803 to push the international system back towards an enforceable, rights-based Two-State horizon.

Indo-Israel Nexus – Implications on Pakistan

The constitutional (Article 40) and ideological pillars drive Pakistan's foreign policy orientation and founding father vision; refusal to establish diplomatic relations with Israel in solidarity to Palestinian cause (Two-State solution).[23] In 1980s, Israel saw Pakistan's Nuclear progress as an existential threat and started considering it as an 'Islamic Bomb' to undermine Israel's hegemony.[24] This anxiety still shapes Tel Aviv's comfort with strengthening India's hand in South Asia.[25] The Kashmir-Palestine parallel implies a shared impress of expansionist designs, ideological simultaneity, occupational approach, demographic alteration and strategic marginalization within an increasingly polarized international order.

I2U2 (India, Israel, UAE & USA) leverages opportunist India to create conducive strategic environment for economic-cum-diplomatic squeeze for Pakistan using external levers. However, Pak-KSA Strategic Mutual Defence Agreement (SMDA) and China eco-cum-diplomatic prowess will provide strategic flexibility to Pakistan to exercise options in marginalization effects. Indo-Israeli defence cooperation (JV) / sure supply-chain in niche technologies will fuse cost intensive repercussions for Pakistan in future escalations. Indo-Israel technological-strategic axis may translate into expanding operational differential, diplomatic hurdles and informational disadvantage for Pakistan enabling India's high-tech, rapidly replenishable defence ecosystem.

Post-MeH, Indo-Israel pre-emptive doctrines have met the shock effect of credible Pakistani retaliation, compelling India to expand cooperation across covert domains as a strategic necessity. Nonetheless, Israel's indirect disruption attempts through India are unlikely to alter the balance. Post MeH, it is highly likely that India with necessary military support from Israel will re-strategize and re-energize anti-Pakistan's efforts. Shared counter-terrorism framing allows India and Israel to rebrand self-determination indigenous movements (Kashmir, Palestine) as terrorism-linked insurgencies. Coordinated information operations and social-media reach subdues truth in global outreach. Based on traditional ideological and policy salience - Palestine & Kashmir parallel, draw India as a suited choice for Israel's foreign policy objective.[24]

To counter such threat, Pakistan has limited response redundancy. Diplomatically, post MeH, Pakistan relation with US have entered in transactional realm and may reset mid-long term in favour of India. Sustained diplomatic flexibility is required to transform an enduring relationship to counter Indo-Israel nexus in future conflict scenarios. UN centric efforts and expansion of SMDA or similar MoUs with Arab countries are needed for enhancing diplomatic leverages. Pakistan must also pursue and revitalize diplomatic strategies to frame IIOJ&K and Palestine to galvanize coalition building in Arab world and beyond. Economic resilience is a must to redress niche capabilities-leveraging technological innovation, diversified alliances and strategic narrative repositioning within the wider Islamic, Eurasian and global security frameworks. And lastly selected response options against aggressor(s) embedded in IO domain.

Pak-KSA SMDA viz Actualization of Abraham Accords

The Abraham Accords represent a tectonic shift in Middle Eastern diplomacy, introducing a model based on interest-based coalitions, shared security and economic incentives - pure realpolitik. KSA (eco strength/ vision 2030) and Pakistan (only Islamic nuclear state) are countries of significance for Israel - meaningful influence over Muslim world. The details of SMDA are yet to be publicized, however, joint statements outlining the objectives of agreement as defensive in nature for both countries: '*any act of aggression against one will be treated as an act of aggression against both*'. This compulsion may pull Pakistan into unwanted scenarios in case of KSA future conflict as under:

- Yemen - KSA conflict (low in intensity - region specific).
- Israel attacks KSA (needs a strong meta-catalyst / black swan event, futuristic/ least likely).
- Iran - KSA conflict (possible but not in foreseeable future - least likely).

***Note**: The above scenarios need a separate scenario planning study. The subsequent paras would only focus on Pakistan's leaning towards Abraham Accords in view of SMDA and changing dynamics of Middle East.*

With commencement of peace process, KSA-US-Israel rapprochement is possible due to economic, trade and security dependencies. Should KSA join Accords, it would represent a seismic legitimization of Israel in the Islamic world. Post MeH and recent Pak-US warmth allows to capitalize momentum gained for peace Accord - KSA and/or USA parallel. Navigation from such a scenario to ward off US pressure on joining Abraham Accords will be an uphill quest.

In case most Arabs world including KSA sign the Abraham Accords, Pakistan will be left with very limited options to take the other course and will have to navigate a complex path. While KSA may understand Pakistan's domestic clefts, US may use strategic levers (IMF, GCC) forcing Pakistan to join the Accords. On domestic front, Pakistan's refusal to recognize Israel rests on three aspects primarily: 1) Religious solidarity with Palestinian 2) Public Backlash 3) Concerns to weaken Pakistan position on Kashmir. Currently in Pakistan's polity, popular anti-Israel sentiment to gain public support is embedded in societal make-up - recognition will be considered as a 'political' suicide by any government.

Paradoxically, refusal to normalize relations grants Pakistan a strategic niche. Pakistan can position itself as a moral counterweight. It can leverage this stance to advocate for Palestinian rights in multilateral forums, mediate intra-Muslim tensions as a symbolic reminder that normalization without justice is incomplete. From global perspective, Pakistan's stance offers a test case: Can a country stay outside the Accords and still remain relevant to those within them? Can it, without recognizing Israel, shape the terms under which normalization proceeds?

Pakistan should be cautious to revisiting its policy on Israel. There are many countries (Iran, Morocco, Niger, Tunisia, Oman and Qatar) that downgraded their diplomatic relations with due to a change in regime and domestic political realities. Pakistan should adopt strategic patience and may consider joining Accords only after following conditions are met with correct sequencing of events as under:

- Joining and ascertaining domestic reaction of public by key players of Islamic world - including KSA.
- Debate in OIC to build wider consequence - should majority of OIC[26] members (2/3rd) accepts Israel/ join Accords then Pakistan may use this pedal to satisfy domestic audience.
- Parliamentary debate with mainstream parties and scenario planning: KSA joins Iran opposes; partial normalization - implication on Kashmir cause (India's possible diplomatic posturing).
- APC to set red lines and conditionalities tied to any Accords-related step.

- In due course, Pakistan should remain among last Muslim world countries to sign the Abraham Accords.

Strategic Judgement

Without unmet conditionalities, Pakistan has *more to lose than gain* (Palestine-Kashmir parallel) by changing its historical position by recognizing Israel and or joining Abraham Accords. Without economic liberty and autonomy, Pakistan will remain vulnerable to consider unpopular assertion with domestic consequences.

Conclusion

Israel's post-1948 ME playbook is complex. Once encircled by hostile neighbours, it has systematically fragmented the Arab front and largely neutralized immediate regional threats backed throughout by unwavering US support that has helped it steadily tilt the strategic balance in its favour away from Palestinian cause. Together, these strands call for a recalibrated deterrence framework that situates the Pak-KSA SMDA against a consolidating Indo-Israel nexus. The paper flags following areas for study and deeper analysis to include:

- Possible expansion of Pak-KSA SMDA - Diplomatic dividend and National Interests.
- Role of Pakistan in Gaza Peace Implementation: Implications on National Security.
- Future trajectory of Iran - Israel Conflict amid Iran's nuclear aspirations.
- Indo-Israel nexus against Pakistan - End Strategy.

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FROM MONARCHY TO TALIBAN: A CASE STUDY OF AFGHANISTAN'S SOCIO-POLITICAL AND REGIONAL DYNAMICS

Muhammad Usman Mirza, Zaher Abbas, Zia Ur Rehman, Nauman Mushtaq, Hasan Faisal, Abdul Whaab Sheikh, Ram Chandra Thape (Nepal), Maher Bin Habib Almutairi (KSA)

Abstract

Afghanistan's political history is often interpreted through the lens of abrupt regime change, obscuring the deeper structural continuities that shape its governance and regional behaviour. Through a historical - comparative framework spanning the medieval, modern and post - 2001 periods, the study traces how successive monarchies, republics and emirates reproduced similar patterns of governance - despite ideological variations. Particular emphasis is placed on the Taliban's return to power in 2021 (Taliban 2.0) and its implications for regional stability and Pakistan's Afghan policy. The analysis demonstrates that both externally imposed democracy and internally enforced theocracy failed to institutionalize inclusive governance, reinforcing Afghanistan's rentier economy, fragmented social order and survivalist strategic culture. Rather than interpreting Afghanistan's history as a sequence of discrete ruptures, the paper argues that Afghanistan's political trajectory is characterized by structural continuity rooted in tribal autonomy, decentralized authority, faith-based legitimacy and external intervention. The paper concludes that Afghanistan's future is likely to remain defined by managed stability rather than transformation, necessitating a pragmatic, interest-based policy approach by Pakistan that prioritizes regional connectivity, calibrated engagement and strategic restraint.

Keywords: Afghanistan, Socio-Political Dynamics, Taliban 2.0, Socio-Political Continuity, Strategic Culture, Regional Alignments, Political Islam, State-building, Pakistan-Afghanistan Relations, Rentier Economy, Tribal Governance.

Introduction

For over a millennium, Afghanistan has occupied a central place in Asia's strategic landscape, serving as a crossroads where empires converged, ideologies competed and civilizations intersected. From the Ghaznavid polities of the tenth century to the contemporary Taliban regime, Afghanistan's historical trajectory reveals a striking continuity shaped by persistent upheaval rather than linear transformation. Its geography - defined by rugged mountains and difficult terrain - has historically impeded political consolidation, fostering a culture characterized by autonomy, resistance to external control and defiance of central authority. Deeply rooted in tribal structures, decentralized power relations and faith-based sources of legitimacy, this enduring socio-political culture continues to manifest itself in the governance practices of the Taliban today.

Given Afghanistan's profound and direct implications for Pakistan's national security, a systematic examination of Afghanistan's political transformation and its socio-political dynamics becomes imperative. This paper examines how Afghanistan's socio-political character, rooted in its historical patterns, has evolved through successive regimes up to Taliban 2.0 and how the implications of shifting regional alignments influence Pakistan's Afghan policy. By tracing Afghanistan's long historical continuum - from monarchial consolidation and reformist republican experiments to jihadist insurgencies and ideological emirates - the study analyses the interaction between internal socio-political forces and external rivalries. It argues that Afghanistan's persistent patterns of resistance, decentralized power and foreign interventions have sustained a distinct strategic culture that continues to shape its politics, society and regional role well into the twenty-first century.

Socio-Political Dynamics from Medieval to Early Modern History (10^{th}-18^{th} Century)

"When the strong wind blows, padshah gardeshi – the king changes"

Afghan Proverb, Victoria Schofield

Afghanistan's socio-political foundations were shaped over centuries of conquest, cultural interaction and persistent fragmentation. Intellectuals such as Allama Muhammad Iqbal, Syed Sulaiman Nadvi and Sir Ross Masood, during their reflections on Kabul, highlighted Afghanistan's enduring struggle amid cycles of chaos and anarchy that shaped its socio-political identity. Iqbal's portrayal of Afghanistan as the "heart of Asia" underscores its centrality, suggesting that turbulence in Afghanistan has historically reverberated far beyond its borders. Afghanistan's geography - defined by rugged mountains, arid deserts and narrow valleys - have simultaneously facilitated interaction and imposed division. These physical features constrained political consolidation, encouraged local autonomy and entrenched resistance to centralized authority. From medieval Islamic polities to the contemporary Taliban Emirate, Afghanistan's political evolution reflects continuity rather than linear transformation, marked by resilience, decentralization and repeated redefinitions of statehood. This section examines Afghanistan's early evolution from the Ghaznavid era of the tenth century to the emergence of the Durrani Empire in the eighteenth century. The analysis employs five enduring socio-political reference points to assess continuity and change across successive eras: political structure and power distribution, social structure identity, ideological cultural dynamics, economic base and resource distribution and the regional environment.

Early Islamic Foundations: Ghaznavids and Ghurids (10th - 13th Centuries)

The Ghaznavid Empire (977-1186), founded by Sabuktigin and expanded under Mahmud of Ghazni, established the first durable Islamic polity in Afghan territory. Ghazni emerged as a major centre of Persian-Islamic culture, learning and administration, while sustained military campaigns into the Indian subcontinent generated wealth and religious legitimacy. Governance during this period was highly centralized and personality-driven, with political authority derived primarily from conquest rather than institutional inclusivity. The Ghurids expanded this model in the twelfth century, integrating Afghanistan more deeply into the Indo-Persian cultural sphere, reinforcing a lasting dual orientation toward Iran and the Indian subcontinent.[1] Authority remained top-down, with local tribal autonomy tolerated as long as tribute and loyalty were maintained. This period marked Afghanistan's earliest experience of centralized statecraft, although power remained dependent on military leadership rather than durable institutions. Socially, urban elites dominated political and cultural life, while rural tribal communities remained largely peripheral. Cities such as Ghazni and Herat developed into cosmopolitan centres surrounded by tribal hinterlands, giving rise to a persistent urban - rural divide. Ideologically, Islam functioned as the primary source of political legitimacy, fused with Persian cultural traditions and institutionalized as an instrument of state authority. Economically, reliance on plunder, tribute and caravan trade produced an extractive, rent-based system rather than a productive economy. Regionally, Afghanistan emerged as a corridor linking Persian, Turkic and Indian worlds, with external relations shaped more by conquest than diplomacy.

Mongol Disruption and Timurid Cultural Revival (13th - 15th Centuries)

The Mongol invasions of the early thirteenth century devastated Afghanistan's urban centres, irrigation networks and administrative structures, leading to mass displacement and the collapse of centralized authority. Power devolved to local chieftains and kinship-based alliances, reinforcing decentralization and tribal autonomy. From this destruction emerged the Timurid Renaissance of the fourteenth and fifteenth centuries, particularly in Herat, which became a centre of Persian-Turkic art, scholarship and Islamic learning. Despite this cultural revival, political consolidation remained elusive. Urban centres flourished intellectually but remained socially detached from the rural majority, entrenching a pattern in which cultural brilliance coexisted with political fragmentation.[2] During this period, Islam functioned more as a cultural unifier than a political integrator, reflecting a shift from militant expressions of faith toward aesthetic and scholarly traditions. Economically, Afghanistan remained peripheral; trade partially revived, but wealth concentrated in urban patronage networks while subsistence agriculture dominated rural areas.

Regionally, Afghanistan continued to serve as a transit zone subjected to episodic external interventions, embedding a pattern of conditional sovereignty.

Safavid-Mughal-Uzbek Rivalry and the Emergence of the Buffer Zone (16th - 18th Centuries)

Between the sixteenth and eighteenth centuries, Afghanistan lay at the intersection of Safavid Iran, Mughal India and Uzbek Central Asia, consolidating its role as a strategic buffer. Safavid influence introduced Persian - Shi‘a traditions in the west, Mughal authority integrated Kabul and Kandahar into South Asian trade networks and Uzbek forces contested the northern regions. This sustained tri-imperial rivalry deepened Afghanistan's ethnic diversity and fostered shifting tribal alliances. [3] Politically, Afghanistan was divided into contested zones with weak imperial oversight, allowing Afghan autonomy to expand as external power declined. Socially, ethnic segmentation intensified; with Pashtun consolidation in the south, Tajik and Uzbek dominance in the north and Hazara marginalization in the central highlands. Ideologically, sectarian pluralism widened, producing a pragmatic and adaptive form of tribal Islam. Economically, trade revived intermittently, but instability and the absence of durable agrarian reform entrenched volatility. Regionally, Afghanistan's buffer status became fully institutionalized, providing strategic depth while perpetuating insecurity.

Key Takeaways: Social - Political Dynamics (10th - 18th Century)

Across the medieval to early modern period, Afghanistan's socio-political dynamics displayed remarkable continuity. Political authority oscillated between central rulers and tribal actors, social structures combined urban hierarchy with tribal persistence, Islam consistently legitimized power while adapting to local contexts, economic life remained extractive & unstable; and Afghanistan's corridor-cum-buffer position generated enduring vulnerability. This historical trajectory laid the foundations for Afghanistan's continued oscillation between centralization and fragmentation, shaping the socio-political patterns that would persist through the Durrani period, colonial encounters and ultimately into the contemporary Taliban era.

Socio-Political Dynamics in Modern Afghan History (18th - 21st Century)

"Unlike other wars, Afghan wars become serious when they are over."

Sir Olaf Caroe (1892–1981)[4]

Transition to the Modern Era

Afghanistan's modern history unfolded at the intersection of tribal political culture and imperial geopolitics. The mid-eighteenth century collapse of the Safavid and Mughal empires coincided with the emergence of the Durrani Confederacy (1747), the first modern Afghan polity. From its inception, Afghan statehood rested on a hybrid order - tribal consensus, charismatic leadership, Islamic legitimacy and external balancing. This foundational configuration generated enduring tensions between central authority and social autonomy, shaping Afghanistan's trajectory into the 21st century.[5]

Durrani State Formation and Tribal Monarchy (1747-1823)

The assassination of Nadir Shah in 1747 enabled Ahmad Shah Durrani to unite Pashtun tribes at Kandahar through a jirga-based consensus, establishing an empire stretching from Khorasan to Delhi. His rule fused tribal confederacy with monarchic legitimacy, relying on conquest, personal authority, and equitable patronage rather than bureaucratic institutions. Politically, the Durrani state represented pre-modern sovereignty: rulers were elected in principle but governed through charisma and military success. Socially, Pashtun dominance was formalized while other ethnic groups were symbolically incorporated, reinforcing tribal hierarchy over merit or class mobility. Ideologically, Islam blended with Pashtunwali, serving as a moral framework rather than an administrative system. Economically, revenues flowed from conquest, trade and tribute, entrenching militarized rentier logic. Following Ahmad Shah's death (1772), succession struggles under Timur Shah, Zaman Shah and Mahmud Shah fractured the empire. By 1823, Afghanistan fragmented into regional principalities, revealing the structural weakness of a state lacking institutional depth.

Fragmentation, the Great Game and Authoritarian Centralization (1823-1919)

The decline of Durrani cohesion facilitated the rise of the Barakzai dynasty under Dost Mohammad Khan, who seized Kabul in 1826.[6] His reign coincided with intensified Anglo-Russian rivalry, transforming Afghanistan into a geopolitical buffer.[7]

Anglo-Afghan Wars

- **First War (1839–42)**: British intervention to restore Shah Shuja ended in catastrophe, underscoring Afghan resistance to foreign-imposed rule.[8]
- **Second War (1878–80)**: British control over Afghan foreign policy followed the Treaty of Gandamak.[9]
- **Third War (1919)**: Amanullah Khan exploited British post-WWI weakness to secure full sovereignty through the Treaty of Rawalpindi.

Abdur Rahman Khan and the Coercive State

The reign of Abdur Rahman Khan (1880–1901) marked Afghanistan's first durable central state apparatus. Through mass deportations, tribal repression and militarization, he imposed order by force rather than consensus. The acceptance of the

Durand Line institutionalized externally imposed boundaries, dividing Pashtun populations and sowing long-term instability.[10] Islam was subordinated to state authority, with ulema co-opted to legitimize coercive unity. Economically, limited taxation and monopolies emerged, but reliance on British subsidies deepened Afghanistan's aid-dependent rentier structure. Afghanistan retained nominal independence but operated within constrained sovereignty.

Reform, Stability and Structural Dualism (1919-1973)

Amanullah Khan's post-independence reforms sought rapid modernization through constitutionalism, secular education and women's emancipation. However, reforms imposed without rural consent triggered tribal and clerical revolts, forcing his abdication in 1929.[11] His failure demonstrated the limits of top-down modernization in a socially segmented polity. Under Zahir Shah (1933–1973), Afghanistan experienced relative stability and gradual reform. The 1964 Constitution introduced parliamentary elements while preserving royal dominance. Non-aligned diplomacy attracted aid from both the US and USSR, reinforcing Afghanistan's rentier character. Socially, an urban middle class expanded while rural conservatism persisted, deepening the urban–rural divide. Ideologically, secular nationalism clashed with traditional religious authority, laying the foundations for future polarization.[12]

From Republic to Theocracy (1973-2001)

Collapse of Monarchy and Ideological Radicalization

Mohammed Daoud Khan abolished the monarchy in 1973, pursuing authoritarian modernization and Pashtun nationalism. His repression of Islamists and Marxists alike led to isolation and eventual overthrow in the Saur Revolution (1978).[13] The PDPA regime's radical socialist reforms provoked widespread revolt, prompting the Soviet invasion in 1979. Afghanistan became a Cold War battlefield, producing mass displacement and militarizing Islam through the jihad-madrassa nexus.[14]

Civil War and Taliban Ascendancy

Following Soviet withdrawal and the collapse of Najibullah's regime (1992), Mujahideen factions descended into civil war. State authority disintegrated into ethnic and regional militias, devastating Kabul and eroding social cohesion.[15] Emerging from Deobandi madaris, the Taliban captured Kabul in 1996 and established the Islamic Emirate under Mullah Omar. The regime restored order through rigid Sharia enforcement but dismantled constitutional governance, excluded women and minorities and isolated Afghanistan internationally. Alliance with Al-Qaeda globalized the conflict, culminating in the 9/11 attacks and US intervention in 2001. Economically, war, narcotics and external patronage replaced development. Afghanistan transitioned from buffer state to global pariah and battleground.[16]

Key Takeaways: Social – Political Dynamics (18th – 21th Century)

Afghanistan's modern history reflects enduring structural continuity rather than transformative change. Politically, authority repeatedly shifted between tribal monarchy, authoritarian centralization and state collapse; sustained by charisma, coercion or ideological absolutism instead of institutional depth. Socially, persistent tribal hierarchies, Pashtun dominance and a deep urban–rural divide produced fragmentation and weak national cohesion. Ideologically, Islam evolved from a moral integrator into a politicized instrument of legitimacy, increasingly fused with nationalism and militarized governance. Economically, a rentier and conflict-driven model - moving from conquest to foreign aid and illicit networks - entrenched dependency and stunted development. Regionally, Afghanistan's buffer-state role ensured formal sovereignty through external balancing while simultaneously constraining autonomy. Together, these dynamics explain Afghanistan's resilience against external control yet chronic fragility in internal state-building

Socio-Political Dynamics in Afghanistan Post 2001 and Taliban Regime 2.0 (2001-2025)

"You have the watch, we have the time."

Taliban Proverb during the Insurgency (2009)

Afghanistan's post-2001 trajectory represents a continuation of its historical dilemma: externally induced state formation confronting internally fragmented society. The collapse of the Taliban first emirate in 2001 initiated an unprecedented experiment in liberal constitutionalism backed by international military powers. Two decades later, the abrupt restoration of the Islamic Emirate in 2021 reaffirmed the resilience of indigenous power structures rooted in religion, tribe and coercion. This period underscores a central paradox - the failure of both externally sponsored democracy and internally imposed theocracy to generate inclusive, institutionalized governance.

The Post-2001 Republic: State-Building without Social Consolidation (2001-2021)

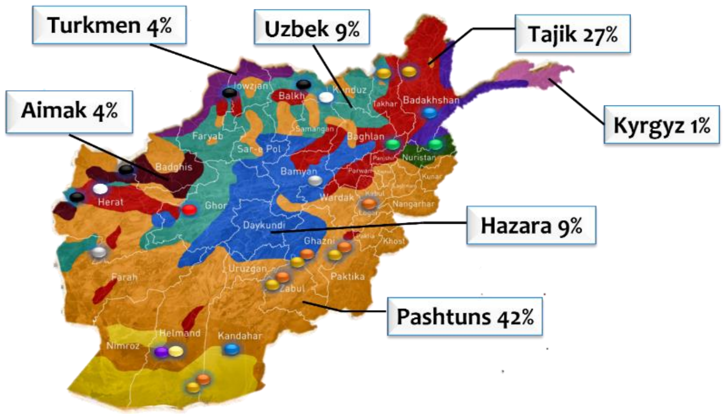
The United States–led intervention in October 2001 dismantled the Taliban regime and initiated an ambitious state-building project under international supervision. The Bonn Agreement (2001) established an interim authority under Hamid Karzai, while the 2004 Constitution created a highly centralized presidential republic, supported militarily by ISAF and NATO.[17] Although democratic institutions were formally established, the republic remained structurally dependent on foreign military and financial support. Politically, authority was concentrated in Kabul through presidential appointments of governors, security chiefs, and bureaucrats. Elections held in 2009 and 2014 were marred by fraud, culminating in a US-brokered National Unity Government that institutionalized elite compromise rather than democratic accountability. Former warlords were absorbed into the state apparatus as ministers and parliamentarians, while militias were rebranded as local police.[18] Consequently, the republic exhibited democratic form but patrimonial substance, failing to establish a Weberian monopoly over violence.[19] Socially, the republic achieved notable urban transformation. Education expanded, media flourished and women's participation increased, particularly between 2003 and 2014.[20] However, these gains remained urban-centric and socially fragile. Rural Afghanistan continued to be governed through qaum, jirga and clerical authority.[21] Ethnic identities - Pashtun, Tajik, Hazara and Uzbek - functioned as patronage networks rather than civic categories, reinforcing fragmentation.[22] Ideologically, the republic attempted to reconcile Islam with democracy by declaring Islam the state religion while grounding legitimacy in elections. The Taliban countered this with a narrative of religious authenticity, resistance to occupation and moral order. Corruption, civilian casualties and foreign troop presence eroded the republic's moral credibility, particularly in rural districts.[23] Economically, over USD 145 billion in foreign aid sustained approximately three-quarters of government expenditure.[24] Growth remained aid-driven, concentrated in services, construction and security contracting, while a parallel economy based on narcotics, smuggling and informal taxation flourished. Following NATO's drawdown after 2014, fiscal fragility became evident. The republic collapsed in August 2021 once external support ceased, revealing the absence of internal cohesion.

The Return of the Emirate: Taliban 2.0 and Quest for Recognition (2021-2025)

The Taliban's return to Kabul in August 2021 marked the restoration of the Islamic Emirate of Afghanistan (IEA), replacing electoral legitimacy with religious sovereignty.[25] Despite inheriting frozen reserves, aid suspension and an exodus of professionals, the regime achieved nationwide territorial control unmatched since 1979.[26] Taliban Regime 2.0 operates as a hybrid theocratic-tribal system. Ultimate authority rests with Haibatullah Akhundzada, supported by the Rahbari Shura based in Kandahar. Ministries function administratively but lack legislative autonomy; governance is conducted through religious decrees rather than constitutional law. Internally, power is distributed among semi-autonomous factions. The Kandahari (Durrani) clerical group dominates ideological and religious authority, the Haqqani Network controls security and intelligence institutions, and the Doha political wing manages diplomacy.[27] This bifurcation - symbolic authority in Kandahar and coercive power in Kabul - defines both regime stability and latent fragility. Socially, the emirate has reinstated patriarchal and tribal hierarchies. Women's education and public employment remain suspended, while minorities are marginally co-opted but excluded from central power. Urban professionals' departure has weakened institutional capacity, yet many rural areas report improved security and swift dispute resolution. Legitimacy thus varies geographically - coercive in cities, customary in the countryside. Ideologically, Taliban 2.0 remains anchored in Deobandi orthodoxy fused with Pashtunwali. Elections are rejected as un-Islamic, cultural expression is tightly regulated and civic activism is constrained. Engagement with humanitarian actors and regional states reflects pragmatic necessity rather than ideological moderation. The Taliban seek recognition without compromise, betting on regional prioritization of stability over normative governance. Economically, Afghanistan's GDP contracted sharply in 2022 due to sanctions and asset freeze. The regime now relies on customs revenues, mining royalties and informal regional trade.[28] The 2022 opium ban reduced cultivation in core Taliban areas but incentivized synthetic drug production, illustrating adaptive resilience of the illicit economy. Poverty remains widespread[29] and economic integration is subsistence-level and regionally confined.[30] Regionally, Afghanistan has shifted from global isolation to pragmatic engagement. Pakistan, China, Iran, Russia and Central Asian states maintain dialogue driven by security and economic interests, while Western states continue sanctions alongside humanitarian channels. Despite lack of recognition, Afghanistan functions as a regional economic and security node, albeit politically isolated.

Key Takeaways: Socio-Political Dynamics (2001-2025)

Afghanistan's post-2001 experience demonstrates that neither externally imposed democracy nor internally enforced theocracy has succeeded in building inclusive, institutionalized governance. The republic centralized authority through elections underwritten by foreign power, while the emirate consolidates control through religious decrees enforced by clerical hierarchy; both systems remain personalized and exclusionary. Socially, urban liberalization and female empowerment during the republic failed to transform rural conservatism, while Taliban 2.0 has restored patriarchal order that many rural communities accept in exchange for stability. Ideologically, Afghanistan has oscillated between liberal constitutionalism and theocratic authoritarianism, with legitimacy consistently outweighing governance effectiveness. Economically, dependency persists - foreign aid under the republic and customs, mining and informal trade under the emirate - preventing the emergence of a productive, tax-based economy. Regionally, Afghanistan remains a geopolitical pivot: once a globally penetrated republic, now an unrecognized but functional emirate sustained by regional pragmatism. Across regimes, the enduring pattern is resilience without consolidation - a state that survives through adaptation but struggles to institutionalize authority beyond ideology, tribe, and external dependency.



Afghanistan: Demography, Tribal Power Structures and Political Economy

Ethnic Composition and Geographic Distribution

Afghanistan is a multi-ethnic society shaped by geography, history and prolonged conflict. Pashtuns constitute the largest ethno-linguistic group, accounting for over two-fifths of the population, and dominate the southern, eastern and southeastern regions. Tajiks, primarily Persian-speaking, inhabit the northeast and urban centres, Uzbeks and Turkmens dominate the northern plains, while Hazaras, largely Shi'a, are concentrated in the central highlands. This spatial and ethnic segmentation has historically impeded the emergence of a cohesive national identity, reinforced localized power structures and negotiated governance.

Pashtun Tribal Structure and Political Dominance

Pashtun society is organised around an intricate tribal system governed by Pashtunwali, a customary code emphasizing honour, hospitality and collective defence. Pashtuns are broadly divided into the Durrani and Ghilzai confederations, alongside the Karlani tribes and several smaller groupings.[31]

- **Durrani Confederation**: Historically centred in southern Afghanistan, the Durranis have dominated Afghan statecraft since the eighteenth century. Ahmad Shah Durrani's founding of modern Afghanistan in 1747 institutionalized Durrani political supremacy. Key tribes include the Popalzai, Barakzai, Noorzai, Ishaqzai and Achakzai.[32] While the Popalzai and Barakzai supplied monarchs and administrators during the monarchy and republican periods, the Noorzai and Ishaqzai emerged as influential religious-military actors during the Taliban's rise in the 1990s. Under

Taliban Regime 2.0, Durrani dominance persists in ideological and clerical spheres. Kandahar-based leadership around Supreme Leader Hibatullah Akhundzada reflects the continuity of southern Pashtun authority in religious legitimacy and doctrinal control.

- **Ghilzai Confederation**: The more populous yet historically decentralized Ghilzai occupy eastern and southeastern Afghanistan, stretching from Ghazni and Logar to Paktia, Paktika and Nangarhar. Prominent Ghilzai tribes include the Hotak, Tokhi, Andar, Suleimankhel and Tarakai.[33] Historically challengers to Durrani rule - most notably during the Hotak dynasty (1709-1738) - the Ghilzai provided the bulk of manpower during the anti-Soviet jihad and the Taliban insurgency. In the post-2021 Emirate, Ghilzai tribes dominate field command, provincial administration and operational governance, particularly in eastern and central provinces. Their influence reflects a long-standing division of labour in Afghan politics: administrative-religious authority versus military mobilization.

- **Karlani Tribes and the Haqqani Network**: The Karlani tribes - Zadran, Mangal, Tani and Waziri - inhabit the eastern frontier regions of Loya Paktia and maintain deep cross-border ties with Pakistan. Historically autonomous, they form the backbone of the Haqqani Network. Under Taliban 2.0, Karlani dominance within the security and intelligence apparatus balances Durrani clerical authority, embedding factional pluralism within the Emirate's power structure.[34]

Taliban 2.0: Institutionalized Tribal Duality

Despite claims of Islamic unity transcending tribalism, the Taliban's second regime institutionalizes historical cleavages. Durrani elites control ideological legitimacy from Kandahar, while Ghilzai and Karlani factions manage coercive power from Kabul and eastern Afghanistan. Competition over resources, appointments and strategic direction continues to reflect tribal lineage as much as ideological alignment.

The Political Economy of Narcotics

Afghanistan's narcotics economy constitutes a structural pillar of its informal political economy rather than a purely criminal enterprise. By 2017, Afghanistan produced nearly 85 percent of global opium, embedding narcotics within governance, conflict financing and rural livelihoods.[35]

Post-2001 Republic: The Narco-Rentier Paradox

Under the US-backed Republic (2001–2021), massive foreign aid combined with weak institutions facilitated the fusion of licit and illicit economies. Provincial elites, warlords and security officials utilized narcotics revenues to finance militias and patronage networks, producing a hybrid rentier-narco state.[36] Counter-narcotics campaigns proved counterproductive, alienating rural populations while failing to dismantle elite capture. By 2018, the opium economy constituted an estimated 20-30% of GDP, dwarfing formal exports and underscoring the state's dependence on informal rents.[37]

Taliban 2.0: Moral Prohibition and Strategic Adaptation

Following their return in 2021, the Taliban inherited an economy paralyzed by sanctions and frozen assets. In April 2022, the Emirate announced a nationwide ban on poppy cultivation, invoking religious legitimacy and signaling international responsibility.[38] Enforcement, however, has been uneven. While cultivation declined sharply in core Taliban strongholds such as Helmand and Kandahar, production shifted toward synthetic drugs, particularly methamphetamine.[39] The ban functions as symbolic governance and diplomatic signaling rather than structural reform. Absent viable alternative livelihoods, prohibition remains fragile. Control over narcotics flows has become a strategic lever for the Taliban, balancing ideological credibility with fiscal survival in an isolated economy.

Civilizational Legacy and Contemporary Political Dynamics

Afghanistan's civilisational trajectory - from a Buddhist-Persian crossroads to an Islamic frontier polity - has deeply shaped its socio-political order. The consolidation of Islam by the tenth century displaced cosmopolitan civic identities with tribal-religious cohesion, institutionalising ethnic segmentation among Pashtuns, Tajiks and Turkic groups.

Political Culture: Insecurity and Survival

Situated between competing empires, Afghan state formation evolved through external balancing rather than internal consolidation. From Ahmad Shah Durrani's monarchy to Taliban 2.0, regimes have relied on rents - trade routes, foreign subsidies or aid - while local power remained diffuse. This geography-induced survivalism fostered a rentier political economy and a preference for transactional governance.

Fragmentation and Negotiated Authority

The absence of an inclusive civilisational narrative beyond Islam perpetuated fragmented authority and shifting alliances. Afghan politics has functioned as a brokerage system among tribes, ethnic groups and regional elites. Periodic unity emerged only under coercive or ideological centralization, often privileging Pashtun dominance and institutionalizing cycles of rebellion and recalibration.

The Rentier-Security Complex

Post-1979 interventions entrenched Afghanistan as a rentier-security complex. External funding, jihad and post-2001 reconstruction reinforced dependency and patronage. Taliban Regime 2.0 reproduces this pattern: ideological claims of unity coexist with fragmented tribal governance, illicit rents and negotiated coexistence rather than integrated institutions.

Challenges and Opportunities for Pakistan and Policy Guidelines

"Afghanistan's tragedy is not that it lacks identity; it is that too many outsiders have tried to define it for Afghans."

Eqbal Ahmed (Confronting Empires, 2000)

Synthesis: Afghan Continuities and Structural Persistence

From the Ghaznavid citadels of the 10th century to the Kandahar Shura of the 21st, Afghanistan's historical trajectory reflects structural repetition rather than linear progression. Monarchies, republics and emirates have differed in form but not in function; each promised order yet reproduced the same equilibrium - a negotiated coexistence among faith, tribe and external influence. What endures is not ideology or regime type, but the Afghan system's exceptional capacity to absorb shocks without fundamentally transforming itself. This synthesis of preceding sections reveals enduring features of Afghan national character:

- **Political Structure and Power Distribution**: Power in Afghanistan remains highly centralized yet institutionally brittle. Central authority typically consolidates through external support and collapses once that support is withdrawn, demonstrating the absence of self-sustaining political institutions.
- **Social Structure and Identity**: Loyalty flows vertically through clan, tribe and sect rather than horizontally through citizenship. Authority rests on personal networks, negotiated influence and customary legitimacy, not on impersonal rules or law-bound governance.
- **Ideological and Cultural Dynamics**: Islam has remained the unbroken thread of Afghan political identity, functioning simultaneously as moral authority, ideological legitimacy and governance framework. No secular alternative has endured. Modernization efforts consistently failed when detached from cultural consent, collapsing under rural–religious resistance. Afghan resilience lies in adaptation, not transformation - social and ideological institutions absorb change rather than replace themselves.

- **Economic Base**: Afghanistan's economy has historically been rentier and aid-dependent, sustaining elites but not citizens. This structural reliance on external rents - whether trade, aid, or illicit economies - has perpetuated fragility, elite capture and underdevelopment.

Afghanistan's Strategic Culture

Afghanistan's strategic culture can thus be characterized as resiliently defensive, socially fragmented and ideologically adaptive. It blends tribal autonomy with religious legitimacy, produces negotiated rather than absolute sovereignty and remains reactive to external pressures while enduring over time. Strategy in Afghanistan is rarely transformational; it is survivalist, transactional and deeply conditioned by history. This strategic culture has evolved over a millennium and is unlikely to change fundamentally in the foreseeable future.

Challenges for Pakistan

Given Afghanistan's entrenched strategic culture, any attempt by Pakistan to reshape Afghan behavior is likely to be counterproductive. The more realistic challenge lies in managing, not transforming Afghanistan. Persistent challenges for Pakistan include:

- **Trust Deficit and Perceptual Divergence**: Deep-seated historical suspicions and mismatched expectations continue to undermine bilateral engagement.
- **Fluid Alliances and Unpredictability**: Afghan political actors frequently recalibrate loyalties, complicating long-term policy planning.
- **Divergent Security Paradigms**: Pakistan prioritizes border security and counterterrorism, while Afghan actors emphasize autonomy and internal legitimacy.
- **Cross-Border Terrorism**: Militant sanctuaries, ideological overlap, and weak enforcement mechanisms remain acute security concerns.
- **Illegal Spectrum**: Smuggling, narcotics trafficking, and informal trade distort border governance and undermine state authority.

Possible Future Scenarios for Afghanistan

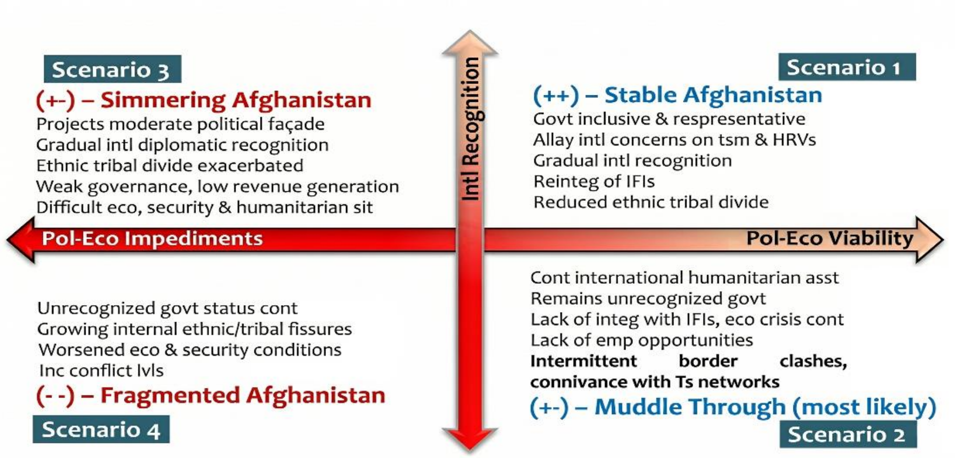
Afghanistan's trajectory will be shaped by interacting geopolitical, humanitarian, security, and economic drivers. While scenario planning remains inherently uncertain, certain trends stand out.

Key Drivers and Assumptions

- **Primary External Driver**: International engagement or recognition (de facto rather than de jure).
- **Primary Internal Driver**: Political and economic viability of the Taliban regime.
- Assumptions underpinning future projections include continued regional engagement without formal recognition, cautious Taliban recalibration on international sensitivities, managed humanitarian assistance preventing systemic collapse and the improbability of successful armed resistance due to Taliban territorial control.

Scenario Spectrum

- Stable Afghanistan with Global Recognition (ideal but unlikely)
- Muddling Through (Most likely)
- Simmering Afghanistan (Chronic instability)
- Fragmented Afghanistan (Most dangerous)



The ***"muddling through" scenario*** is the most probable - characterized by limited stability, selective engagement, economic stagnation and persistent governance deficits. Importantly, even this scenario presents manageable opportunities for Pakistan.

Opportunities for Pakistan

Despite persistent challenges, Afghanistan also offers strategic opportunities for Pakistan if approached pragmatically:

- **Regional Connectivity and Economic Integration**: Transit trade, energy corridors and Central Asian access can enhance Pakistan's regional relevance.
- **Agenda Setting at Multilateral Forums**: Pakistan can shape regional discourse on humanitarian engagement, counterterrorism and economic stabilization.
- **Sanctions-Compliant Economic Footprint**: Limited, lawful economic engagement can stabilize border regions while avoiding international penalties.

Proposed Strategic Outlook and Policy Guidelines

Recognizing that Afghanistan cannot be re-engineered externally, Pakistan's optimal strategy lies in management, not modification. The proposed framework is; Diplomatically driven - Kinetically calibrated - Economically sustained - Informationally managed. This approach should be operationalized through a whole-of-government framework, ensuring synchronization across diplomacy, information, military restraint, economic engagement, finance, intelligence, law enforcement and governance. Policy emphasis should prioritize predictability over influence, containment over transformation and regional stability over ideological alignment. Pakistan's long-term interests are best served not by seeking a pliant Afghanistan, but by managing a stable, non-hostile and economically connected one.

Conclusions

Afghanistan's deeply ingrained national character, shaped over centuries, resists rapid cultural or behavioral transformation. Pragmatism therefore demands recalibrating Pakistan's policies to safeguard its national interests through adaptive management rather than idealistic expectations. The future depends on whether Pakistan and Afghanistan can transcend a security-suspicion paradigm and pursue a shared vision grounded in connectivity, economic integration and mutual stability. Without cultivating a structured framework that creates Afghanistan's stakes in cooperation, the prospect of enduring amity between the two nations will remain elusive.

Concluding Remarks

Afghanistan's historical experience underscores a persistent paradox: remarkable resilience against external domination alongside chronic failure to institutionalize durable, inclusive governance. From medieval Islamic polities to the contemporary Taliban Emirate, Afghan regimes have differed in form but converged in function, relying on personalized authority, negotiated legitimacy and external rents rather than rule-bound institutions. The return of the Taliban in 2021 did not represent a historical aberration but rather a reassertion of long-standing socio-political patterns shaped by faith, tribe and coercion. Taliban 2.0 reflects adaptive pragmatism in external engagement and economic management yet remains ideologically rigid, socially exclusionary and institutionally shallow. The post-2001 republican experiment further reinforces this conclusion. Despite unprecedented international investment, constitutionalism and electoral politics failed to penetrate Afghanistan's fragmented social fabric or displace indigenous authority structures. The collapse of the republic once external support receded exposed the absence of internal cohesion and societal ownership. Together, these experiences demonstrate that Afghanistan's central challenge lies not in regime type but in the enduring disjunction between formal state structures and lived social realities. For Pakistan, these findings carry important policy implications. Afghanistan cannot be reshaped through coercion, patronage, or ideological alignment. Sustainable engagement requires acceptance of Afghanistan's strategic culture as defensive, transactional and autonomy-driven. Pakistan's long-term interests are best served through a calibrated approach that emphasizes stability over influence, connectivity over control and predictability over ambition. By embedding Afghanistan within regional economic and security frameworks - while avoiding overreach - Pakistan can mitigate risks and gradually cultivate convergent interests. Ultimately, Afghanistan's future is unlikely to conform to normative models of statehood or rapid modernization. It will instead continue to "muddle through" balancing internal legitimacy with external pragmatism. Recognizing this reality is not a concession to pessimism but a prerequisite for effective policy. Only through strategic patience, regional cooperation and realistic expectations can transition Afghanistan from a source of perpetual instability to a manageable - if imperfect - regional partner.

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INDIA'S EVOLUTION INTO AN ECONOMIC POWERHOUSE: LESSONS FOR PAKISTAN

Nadeem Bashir, Sardar Imtiaz Ali, Ahsan Talal Janjua, Imran Naseer, Saima Aftab, Michael Robert Formby OBE (UK) and Sunday Premobowei Ekiye (Nigeria)

Abstract

This article is an endeavour to investigate India's transformation from a pure colonial economy to a global economic power, with the special emphasis on aspects like institutional innovations, trade alleviation and technological innovation. It mainly focuses on the transformation from the Licence Raj to the initiatives of economic liberalization of 1991, massive globalization of trade and restructuring of rigid internal controls to open global markets. The study will also explore the avenues of transformation of Indian economy into a global economy amounting to $4 trillion by exercising monetary discipline, development of economic infrastructure and able governance of national economic institutions. It also highlights the aspects which still pose challenges to massive economic transformation like social inequalities, relentless poverty, and unaccounted for labour. Economic comparison with Pakistan illustrates as to how poor policy making, weak institutional approach, lack of focus in economic reforms disrupted Pakistan's economic rise. The article concludes with actionable lessons for Pakistan's future. It highlights four key areas for lasting progress: strengthening public institutions, diversifying exports, managing demographic shifts, and inclusive social policies.

Keywords: India's Economic Rise, Pakistan Economic Stagnation, Comparative Economic Analysis, SIGMA Economic Model.

Introduction

Indian subcontinent share in global economy remained only 25% of complete GDP.[1] British colonization of the subcontinent shattered it to only 2% by 1900. Only positive contribution of the colonization of subcontinent was the textile and artisan industry which massively contributed to British economic interest. De-industrialization of subcontinent primarily rested on three main aspects that included, Firstly, massive trade restrictions on export industry of the subcontinent. Secondly, massive resource extraction from subcontinent to feed the British Industrial Revolution. Thirdly, Economic collapse forced the local labour to turn back to traditional farming and local industry with limited skill and craft. These manipulative measures reduced 25% share of subcontinent in Global economy to merely 2% by the end of 19th century. Although economic rise of India after Independence is impressive but it has still the periodic setbacks due to the erratic growth pattern, massive poverty across the length and breadth of country and most importantly the social inequalities persistent in the class based society. Conversely, Pakistan made a steady progress in its initial years of independence but lagged behind India in later part of the 20th century due to regional wars, dismemberment in 1971 and geopolitical miscalculation.[2] As of Today, India's economy is close to $4 trillion, whereas Pakistan is still struggling with $400 billion. The study seeks to extract the prudent lessons for Pakistan's policy makers by comparing the economic rise of neighbour India.

Indian Economy: Independence to Stagnation (1947 To 1990)

After gaining independence in 1947, Indian leaders feared that foreign companies might take advantage of them again, they decided to run the economy like a carefully managed family budget, focusing on building big industries like steel and power. They introduced the Public Private Partnerships adopting a mixed economy model inspired by Soviet planning and the Bombay Plan (Officially titled "A Plan of Economic Development for India", prepared in 1944 by a group of prominent Indian industrialists and economists). India prioritized heavy industrialization through centralized five year plans, while imposing protectionist policies and bureaucratic controls that often suppressed private enterprises.[3]

Institutions & Structures

India gained Independence as a purely agrarian nation. In order to transform the economy government started "Five-Year Plans" that primarily rested on addressing the food scarcity and later with installation of massive steel industries and power hubs. The First Plan (1951–56) successfully focused on agriculture, boosting food grain output by 20% and lifting annual GDP growth to 3.6%. This was followed by the Second, or Mahalanobis Plan (1956–61), which pivoted to heavy industry, spurring a 9% annual growth in capital goods production. They also brought banking to the doorstep of the common man, expanding rural branches from a few thousand to tens of thousands through the State Bank of India and NABARD. However, this "government-first" approach eventually created a suffocating web of red tape known as the License Raj. Because entrepreneurs needed a permit for almost every move, innovation stalled and the economy grew at a frustratingly slow crawl. By the 1980s, the country was self-reliant but weighed down by inefficient state-run companies, making it clear that the system needed a major upgrade to truly thrive.

Indian leaders also invested heavily in establishing the financial institutions to feed in the massive growth in economy. Establishment of Reserve Bank of India was a step in this realm. It centralized the monetary policy and establishment of State Bank of

India in 1955 further enhanced the access to the finances by growing its rural branch network from under 5,000 to over 35,000 by 1990. Nationalization of the 14 major banks in 1969 expanded the reach but marred with challenges of massive non-performing loans. Finally, establishment of National Bank for Agriculture and Rural Development (NABARD) in 1982 institutionalized rural financing, providing critical support that sustained the gains of the Green Revolution.

Governance & Growth Drivers

Indian leaders remained determined to shield economy from external exploitation. State took control of all major industries like steel and power-hubs. These measures ensured the government's strong grip on the industry but countered the active participation of local business owners with endless red tape issues. This "safety first" mindset protected India but also made its industries slow and inefficient. The real bright spot was the Green Revolution in the 1960s. By introducing better seeds and farming techniques, India achieved a massive progress: it finally produced enough food to feed its own people by boosting grain output from 72 to 130 million tons by 1979 . However, even this success had a human cost, as the benefits mostly stayed in specific regions like Punjab, leaving other farmers behind and creating a heavy dependence on water and expensive fertilizers. By the late 1970s, India had successfully built its own foundation and fed its people, but it was also a country trapped in its own rules, needing more flexibility to truly grow.

Macro & Micro-Economics

Foreign domination of economy remained the overarching apprehension of the Indian economists. These apprehensions forced government to build a massive "protectionist wall" around the country, using the Import Control Order of 1948 to shield everything from steel to sugar. By the 1970s, these trade barriers had reached staggering heights, with taxes on imports often exceeding 100%. While this kept foreign companies out, it also trapped Indian businesses in a bubble where they didn't have to compete, causing exports to grow at a sluggish 4% annually. This left the country's "foreign savings account" dangerously empty.

This vulnerability made a minor economic jolt in world economy a national emergency for India. In 1966 foreign-exchange crisis hit, the government was forced to slash the rupee's value by 36.5%, making everything from fuel to machinery far more expensive for the average citizen. Then came the "double punch" of the 1970s: the 1973 oil shock quadrupled fuel bills and sent inflation skyrocketing above 25% and the 1979 crisis combined with a brutal drought caused the economy to shrink by 5.2%.[4] This was the worst collapse since independence. India was trying to be self-reliant, but it was actually more vulnerable than ever because it didn't have the exports to pay for the oil it desperately needed.

There were small sparks of hope, like the Santa Cruz Export Processing Zone in Mumbai, Asia's first but these early attempts at modernizing were too small to move the needle, contributing less than 1% to exports by 1980. For decades, the average Indian lived through the "Hindu rate of growth," a frustratingly slow crawl of 3.5 percent where the dream of a better life was often buried under layers of state planning and red tape.[5] By 1990, India had successfully fed its people and built a massive industrial base, but it was extremely vulnerable to economic inconsistencies and had only one way out and that was to open it's economy to the global access.

Table 1: Indian Trade Profile (1950–1980)

Year	Exports (Bn $)	Imports (Bn $)	Exports Growth (%)	Imports Growth (%)	Trade Balance (Bn $)
1950	1.3	1.6	0.6	0.9	-0.3
1965	1.7	2.4	2.1	3.5	-0.7
1980	8.5	15.4	6.4	8.7	-6.9

Source: World Bank WDI; RBI Trade Statistics

This table illustrates that the Indian quest to become self-reliant nation made it more dependent on world due to high fiscal gaps in oil and machinery purchase. In 1950, the fiscal gap was very limited but it started increasing due to massive import bills. By 1980, even though exports had risen to $8.5 billion, imports had surged to over $15.4 billion, leaving a massive $6.9 billion fiscal deficit. The gap in import and export bill consistently increased over the decades frustrating the economic outlook of the country.

Table 2: Economic Performance vs. Targets (1951–1990)

Metric	Target (Planned)	Actual Outcome	Comment
GDP Growth (1951–1990)	5.0%	3.5%	Chronic shortfall (“Hindu rate”)
Industrial Growth	8.0%	5.4%	Public sector inefficiencies
Agricultural Growth	4.0%	2.6%	Saved by Green Revolution
Export Growth	7.0%	4.0%	Trade regime constrained
Poverty Reduction	–	>45%	Limited redistribution

The data illustrates a period of systemic under-performance, where every key economic metric fell significantly short of government targets. The "Hindu Rate of Growth": With a planned GDP target of 5.0% but an actual outcome of only 3.5%, the economy was trapped in a cycle of low growth that failed to keep pace with population needs. Despite heavy state investment, industrial growth lagged at 5.4% (against an 8.0% target) attributed to public sector inefficiencies. While the growth of 2.6% missed the 4.0% target, the Green Revolution is credited as the critical intervention that prevented a total food security collapse. Export growth was nearly halved (4.0% actual vs. 7.0% target) due to a constrained trade regime, leaving poverty levels dangerously high at over 45%.

Economic Transformation and Ascent (1991 to 2025)

In 1991 Indian economy was faced with the severe threat of balance of payment. Than Prime Minister and Finance Minister launched a trans-formative LPG (Liberalization, Privatization, Globalization) reform agenda. They abolished the state controls, opened the economy to global markets, investing in growth and featuring India a global economic power. Major initiatives were cornered around digital public infrastructure and macro-financial reforms. Innovations like Aadhaar and UPI formalized the economy, incentive entrepreneurship and elevated India's global standing.

Institutions and Structures

Amidst financial crisis Indian Government secured $2.2 billion IMF loan to address the critical issue of balance of payments. This borrowing led to the devaluation of currency by 20%. Colossal institutional reforms were introduced by replacing Planning Commission with National Institute for Transforming India (NITI) Aayog; a progressive body aimed a cooperative federalism and strategic policy guidance. These measures resulted in improving Indian standing from 142nd to 63rd in Ease of doing Business in worldwide rankings. Substantial increase in FDI inflows, and the Aspirational Districts Program transformed 112 backward regions, with 95% recording improvements in health and education by 2023. In a noteworthy tax reform 17 direct taxes in various states were amalgamated into a single tax at national level. A six member Monetary Policy Committee was constituted to steer the inflation at 4% (±2%), to bolster the economic growth and inclusion.

Governance and Growth Drivers

Building on the freedom of the 1990s, India stepped onto the world stage in 1995 by joining the World Trade Organization, slashing its highest taxes on imports to 50% and removing old limits on goods by 2001. This openness allowed trade to nearly double its share of the national income, rising from 22% to 48% by 2022. To keep the country's "household budget" in check, the government passed a strict financial discipline law in 2003, which acted like a rainy-day fund that allowed for a $35 billion boost during the 2008 global financial storm. India also leaned into its neighborhood, signing major deals with Southeast Asian nations that saw trade jump from $30 billion to $110 billion by 2022. When the banking system got stuck with bad loans, the 2016 Insolvency and Bankruptcy Code acted like a fast-track court, cutting the time to settle business failures from over four years to just 1.6 years. This resilience was put to the ultimate test during the COVID-19 pandemic; through massive loan guarantees and schemes to boost local manufacturing across 14 sectors, India saved 12 million jobs and cushioned the economic fall to -6.6%. These efforts paid off quickly, with exports soaring to $422 billion in 2022 and attracting $55 billion in new investments by 2023, proving that a more disciplined and connected India could weather even the toughest global storms.

Macro and Microeconomics

In 1991, India responded to a severe financial crisis by dismantling its restrictive "License Raj" system, which slashed the number of regulated import items from over 9,000 to just 400 and reduced peak tariffs from 150 percent to 30 percent. This liberalization allowed for a massive influx of modern machinery, doubling the country's trade-to-gross domestic product ratio and fueling a decade of high growth. Building on this momentum, the 2005 Special Economic Zones Act established duty-free industrial hubs that attracted over $70 billion in investment and created more than 2 million jobs. To further integrate these hubs with global markets, the government launched the Sagarmala Program to modernize ports and the Bharatmala Pariyojana to build nearly 35,000 kilometers of highways. These infrastructure projects, combined with dedicated freight corridors, have significantly increased construction speeds to 35 kilometers per day and reduced logistics costs from 14 percent to approximately 9.5 percent of the gross domestic product, saving the economy roughly $50 billion annually.

Advancements and Anticipation

India's technological and environmental revolution began with a pivotal 1998 policy that turned 60 software technology parks into a global launchpad, growing the sector's contribution to the gross domestic product from 1.2% to 9% and securing 65% of the world's outsourcing market. This foundation expanded into the 2015 Digital India campaign, which has since brought nearly one billion people online and saved 3.5 billion rupees through Aadhaar-linked services while creating over a million new technology jobs. Today, the India Artificial Intelligence Mission is building on this momentum, with the artificial intelligence market projected to reach $17 billion by year 2027 and potentially creating four million specialized roles by 2030. Complementing this digital surge, the nation reached a historic 100 gigawatt solar capacity milestone by early 2025, slashing hundreds of millions of tonnes of carbon emissions and fostering a new workforce of three hundred thousand green energy professionals.

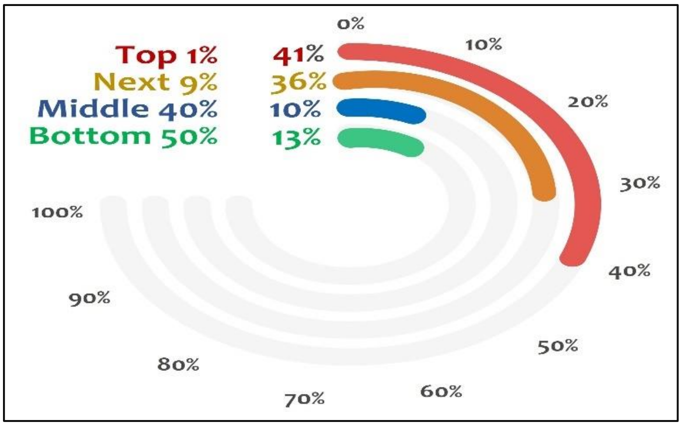
Table 3: Key Economic Indicators of India - USD (1991-2025)

Indicator	1991	1997	2010	2021	2024	2025 (Proj)
GDP (Nominal)	274 Bn	423 Bn	1.68 Tn	3.14 Tn	3.94 Tn	~4.9 Tn
GDP Growth	1.06%	4.05%	10.3%	9.05%	8.2%	~7.0%
Forex Reserves	1.2 Bn	29.4 Bn	297 Bn	638 Bn	648.6 Bn	~695 Bn
FDI Inflows	129 Mn	$3.6 Bn	27.4 Bn	84.8 Bn	70.9 Bn	~100 Bn
Inflation (CPI)	13.9%	6.4%	9.5%	5.1%	5.4%	~4.5%
Tax-to-GDP Ratio	10.1%	10.9%	10.8%	11.7%	11.7%	~12.5%
Fiscal Deficit (% of GDP)	7.6%	5.5%	4.8%	9.2%	5.6%	~4.5%
Debt-to-GDP Ratio	75.1%	66.8%	68.4%	89.6%	82.3%	~80%
Exports (USD)	18.1 Bn	53.0 Bn	298.3 Bn	676 Bn	**778.2 Bn**	~900 Bn
Imports (USD)	21.0 Bn	58.3 Bn	416.9 Bn	768 Bn	**853.8 Bn**	~1.0 Tn
Trade Deficit	-2.9 Bn	-5.4 Bn	-118 Bn	-192 Bn	-75.6 Bn	~220 Bn
GST Collection	—	—	—	18.8 Bn	20.3 Bn	~24 Bn

Over the last three decades, the Indian economy has expanded more than 14-fold, growing from $274 billion to a projected $5 trillion.[6] The magnanimous increase in GDP from humble figures to $648 billion in a short span of time. Indian economy has transformed from the surviving to thriving economy by introduction of reforms at micro and macro levels.

Social Impact of Economic Ascent

Indian economic rise is not only a subject of economics but it has a profound social impact as well. Millions of people were alleviated from the shackles of poverty post 1991. Most vibrant and mammoth middle class has been instituted in India solely attributed to rights-based family planning. India slashed its birth rates and stabilized its population growth. Meanwhile, a massive push for education, fueled by initiatives like the Right to Education and mid-day meals, has turned schools into engines of social mobility. Poor people economic safety was ensured by introduction of MNREGA Ministry of Rural Development program guaranteed rural work to stabilize incomes. Ayushman Bharat National Health Authority scheme gave over 120 million families humble medical protection. Women empowerment has been a instrumental initiative over the decades. Direct Benefit Transfers ensures that help now lands directly in the hands of those who need it most.



Analysis of Socio-Economic Aspects

Although Indian economic rise is substantial and impressive but it's fruits are not evenly distributed in the society. Its beneficiaries are not the common masses but the industrialists and technological giants. 90% of workers lack the safety net of a contract or a pension.[7] In this "jobless growth" landscape, a family's survival often hinges on the daily gamble of manual labor, where a single health crisis can erase years of meager savings.

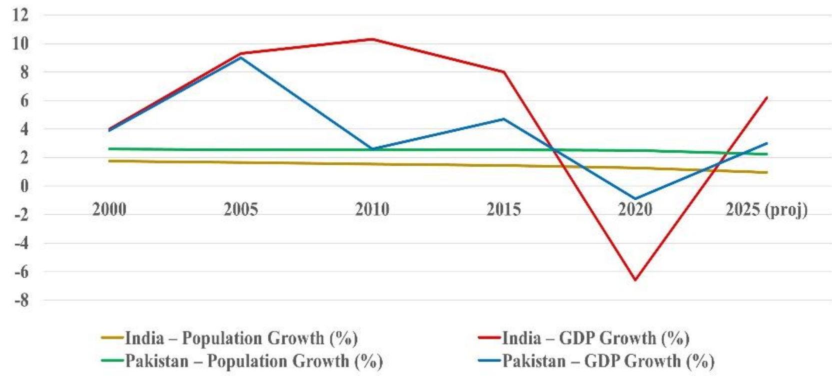
Pace of growth is much higher in the upper strata of the society but the common people are aloof from the progress and development. They are entangled in the health, livelihood, climatic and societal issues. For the bottom 50% of the population, who collectively hold a mere 13% of the national wealth, the dream of social mobility is often stifled by caste and class barriers that remain as rigid as ever. Poverty alleviation programs like the National Rural Livelihoods Mission (NRLM) have offered a lifeline through self-help groups, the lack of public investment in schools and clinics leaves many "vulnerable"; just one step away from falling back into the cycle of deprivation. Ultimately, the human cost of India's rise is found in the gap between its global prestige and its internal reality. As noted by Amartya Sen and Jean Drèze, growth without investment in human capability is unsustainable. India can fulfill its dream of progress only when the benefits of its development are distributed efficiently to all those who need the most. When basic necessities are accessible to both rich and poor, that's when the true advantage of progress will be realized.

Comparative Analysis of Indian Economic Ascent & Pakistan's Stagnation (1947-2025)

Socio-Economic Profile

India's focused policies have transformed its demographics into a strength. With population growth below 1% annually, driven by awareness and healthcare, the country is unlocking a demographic dividend that boosts human capital and labour productivity. Education reforms, including universal access, mid-day meals, and the Right to Education Act have produced a skilled workforce. Unemployment is steadily below 5%, and diverse sectors are absorbing labour. Women's education is rising, though participation remains low. Health advancements have pushed life expectancy to 70 year, but wealth inequality and regional disparities persist.

Figure 1: Population & GDP Growth (2000 to 2025) – India & Pakistan



Source: World Bank and International Monetary Fund, "GDP Growth (Annual %) and Population Growth (Annual %): India and Pakistan, 2000–2025," World Development Indicators, accessed February 28, 2026, https://data.worldbank.org.

Conversely, Pakistan is unable to harness its population growth which remains 2% in year 2025 and it ranks 168th in health ranking out of 193 global nations.[8] Pakistan is also unable to utilized the demographic potential due to lack of education and skill.

Major hurdles in the field of development is lack of quality education which is further marred by the poor annual spending of just 1.9% of GDP. Unemployment rate of 6-7% further accentuates the volatile situation. Women participation in domestic labour stands at 24%, is constrained by social norms, safety concerns, and digital exclusion. Life expectancy stands at 67 years (global rank 150th), with limited health resources.

Institutional & Structural Foundations

India launched an ambitious plan to revive the economy in early 1990s and made a steady progress over the last four decades despite the bureaucratic hurdles and domestic issues. Establishment and strengthening the institutions and providing the due environment for investors from home and abroad has been the key aspirations. India's efforts in modernizing the economy paid in terms of a $700 billion foreign reserves. Average inflation rate has been capped at 4-6 % over the past decade. Indian diversification of economy from purely agrarian economy to knowledge economy and technological prowess makes it immune from the global financial crisis as well. Indian economy as of today is much more vibrant, dynamic and strong than it was ever before. Conversely, Pakistan's economy has been moving through roller coaster. It has seen many ups and downs in the period under review. Continuous political interference in the vibrant institutions like Planning Commission has made it difficult for the country to follow a long term economic plan with zeal and enthusiasm. Poor income tax base and high debt to GDP ratio has been a recipe for continuous turning up to global lending institutions like IMF. Bailout packages from IMF have only been temporary relief without addressing the underlying structural issues. Inflation has been often oscillating between 5% to 20% on annual basis demonstrating the fragility of the economy and lack of economic confidence.[9]

Governance and Growth Drivers

India's economic growth can be attributed to state level decentralization of the economy which makes the states like Tamil Nadu and Maharashtra as economic power houses. These states contribute 42% to the national economic effort supported by the strong legal and infrastructural level.[10] Strong judiciary and stringent laws provide the due protection to the business class from erstwhile red tape bureaucracy. This efficiency is locked in by a digital backbone; UPI and Aadhaar, that connects millions to the formal economy instantly. Colossal investments in renewable energy avenues ensures that the massive progress is not achieved at the cost of climatic or environmental loss. Conversely Pakistan's economic outlook is marred with the economic inconsistencies. Provinces get the lion's share of the national exchequer i.e. 57.5% share of revenue, yet the benefits rarely reach the streets due to a disconnect in local leadership. Lack of requisite laws backed by the slow and idle judiciary further accentuate the fragile economic aspirations of the investors and the common citizens. Heavy reliance on the carbon fuels makes the cost of living and doing business a difficult preposition. Lack of digital prowess and absence of legal framework, the true potential of the people cannot be harnessed. Lack of governance and fragile food security situation further compounds the fragile situation for common households.

Trade, Value-Chain Integration, Regional Connectivity and Tech Advancements

India transformed its economy from purely agrarian economy to a global technological and high-end manufacturing hub. India has been instrumental in providing suitable environment to the entrepreneurs to start and grow their business. This transformation isn't just about big numbers; it's about a digital backbone from UPI payments to software parks that has turned the "brain drain" of the past into a "brain gain." Indian diaspora is not only a source of colossal economic dividend but also a source of major investment in the country that keeps the country linked to the world class advanced supply chains.

In contrast, Pakistan's economic outlook is mostly reliant on the erstwhile agriculture and basic textiles industry which remains vulnerable to global economic shocks. Pakistan's export industry is still grappled with the unprecedented power outages and high costs that are big barriers in global competitive environment. China Pakistan Economic Corridor has been instrumental in development of road infrastructure but still there is much to do in this regard. Pakistan's economy is mostly dependent on the foreign remittances which often make up nearly 10% of GDP. The true potential of these remittances has not materialized owing to financial system inadequacies, short term policies and lack of requisite infrastructure. Pakistan is faced with the challenge of power outages, infrastructure inadequacies and lack of technological prowess but still it has vibrant and extremely hardworking manpower which can lead to digital-first leap forward.

Future Foresight – (Scenario 2030). By 2030, three scenarios (Prosperity, Stagnation, and Regression) emerge for both nations based on the past decade's trends and potential reforms.

As we look toward 2030, India stands on the edge of a breakthrough. India has a steady growth of 6.5% annually and country is just one leap away from prosperity. India is still faced with the yawning gap in imports and exports bill due to narrow tax base, capitalizing on the momentum from the last decade has created a solid foundation. For the average citizen, the Prosperity scenario isn't just a dream; it's a tangible goal supported by a decade of building digital bridges and physical roads. If India continues on the same trajectory for next few years, it will definitely transition from a steady performer to a global economic powerhouse.

Pakistan's has an uphill task to achieve its goals up to year 2030 due to its fragile economic outlook. Pakistan is still laying in the stagnation phase due to heavy foreign debt and limited growth of around 3.5% on annual basis. Recent economic recovery in year 2024–2025 offers a ray of hope a "recovery road" that could lead to stability if the government stays the course on tough, meaningful reforms. For Pakistan, reaching even a baseline of prosperity will require more than just quick fixes. It will take an earnest and dedicated efforts at the national level to ensure fixing the energy sector, promoting local businesses, and turning its debt into cultivatable assets.

Table 5: Scenarios – 2030

Indicator	Pakistan				India			
	2014-23	Prosperity	Stagnation	Regression	2014-23	Prosperity	Stagnation	Regression
GDP Growth (%)	3.5	6-7	2-3	<1.5	6.5	7-8	5-6	<4
Inflation (CPI Avg %)	9.0	6-8	10-12	>15	5.5	4±1	5-6	>7
Trade Deficit (% of GDP)	-7.0	<-4	-5 to -6	< -8	-4.5	-2 to -3	-4 to -5	< -6
Forex Reserve (Bn USD)	9	20	12 - 14	4-6	600	800	500 – 600	< 400
Tax-to-GDP Ratio (%)	9	15 +	11-12	<9	16	22	16-18	<15

External Debt (% of GDP)	**70**	**55-60**	**70-75**	**>80**	**76**	**50-60**	**60-70**	**>80**
Remittances (Billion USD)	**32**	**45**	**38**	**<30**	**100**	**160**	**120**	**100**
Income (USD, Nominal)	**1400**	**1900**	**1600**	**1300**	**2400**	**4000**	**3000**	**2500**
HDI (Value)	**0.52**	**0.65**	**0.55**	**0.50**	**0.6**	**0.7**	**0.68**	**0.6**
Unemployment (%)	**6**	**>4.5**	**>5.5**	**<6.5**	**5.5**	**>4**	**<4.5**	**<5**

Note: The "Present (2015-2024 Avg)" figures were calculated by extracting the annual data for each metric and each country from the **World Bank WDI and IMF WEO databases**. A simple arithmetic average was then computed for the ten-year period (2015-2024)

Policy Guidelines for Pakistan's Economic Revival

Pakistan had a promising economic growth after independence which started declining from 1990s. At present it has entered in a stagnation mode with very little progress at hand. Learning from India's model while adapting to Pakistan's unique realities, a phased policy framework (SIGMA) is proposed to unlock prosperity and national potential. Success depends on improved security and the political will to implement these essential reforms.

Socio – Economic Reforms

Population Control

Population control is the fundamental aspect in long term socioeconomic uplift of the country. An educated, healthy and inclusive population is key to progress. Pakistan requires a varied strategy focusing on education, healthcare and female economic empowerment, supported by family planning programs and incentives like tax benefits for smaller families.

Education Transformation

Adopt the Triple Helix Model (academia-industry-government) to drive innovation. Vibrant education must embed financial, AI, and quantum literacy in curricula. Implement emergency teacher training, incentives for undeserved schools and e-learning platforms to enhance access and literacy.

Institutional and Structural Reforms

Charter of Economy

Prepare and implement National Economic Charter, which is binding in nature, all-inclusive and comprehensive to ensure the economic progress over the years. It should set core targets (fiscal discipline, infrastructure, employment) with transparent benchmarks. Parliamentary ownership alongside wider political acceptance will boost confidence and circumvent the reversals, promoting the investor confidence.

Restructuring of Planning Commission

Restructure the Planning Commission of Pakistan inline with the NITI Aayog's cooperative federalism. It should ensure integrating provinces, civil society, academia, and the private sector into policy-making. Database economy supported by evidence-based analysis, and performance bench-marking, it can alter planning and further sustainable growth.

Sovereign Stabilization Fund

Create a rule-based fund to save excess revenues during booms. These transparently managed reserves would be deployed during shocks to stabilize budgets and the exchange rate, reducing reliance on emergency borrowing and enhancing macroeconomic resilience.

Restructuring FBR & Tax Regime

Adopt a unified GST system to simplify compliance. Implement nationwide e-filing, AI fraud detection, and block-chain audits to achieve 90% digital collection and expand the tax base by formalizing informal enterprises, boosting fiscal capacity.

State-Owned Enterprise (SOE) Reforms

Strategically triage SOEs into privatize, restructure, or retain categories. Impose time-bound performance contracts on retained entities to link accountability to outcomes. This will reduce fiscal burdens, improve efficiency, and attract private investment.

Transformation of Governance & Growth Drivers

Devolution of Power

Fully implement Article 140A to devolve political, administrative and financial powers to local governments. This will enable community-centrist decision-making, enhance transparency, and improve service delivery. Key reforms include empowering Provincial Finance Commissions, prioritizing budgets for underdeveloped areas through matching grants and Community-Driven Development (CDD), and reinforcing these efforts with parallel civil service and judicial reforms focused on merit-based appointments, digitization, and performance incentives to ensure integrity.

Integrated Digital Governance

Build a unified digital governance system, inspired by Aadhaar, linking land records, tax filings, procurement, public spending and a NADRA-based digital ID. Implement real-time e-procurement dashboards, digital court case management and performance systems for civil servants. Launch citizen feedback platforms and transparent budgeting pilots. This integrated approach will reduce leakages, speed up approvals, strengthen accountability and enable data-driven, participatory service delivery.

Macro & Micro – Economic Reforms

Business Ecosyste

Scale up export-credit guarantees and simplify procedures for exporters. Prioritize digital trade facilitation and diversify exports beyond textiles to help SMEs enter new markets, boost foreign exchange earnings and enhance Domestic and Diaspora Direct Investment (DDI).

Sector Supply-Chain Agreements

Negotiate targeted bilateral agreements in agro-processing, pharmaceuticals, and technology, incorporating harmonized standards, co-production incentives and joint R&D to integrate SMEs into global value chains.

Energy Sector Reforms

Prioritize eliminating circular debt via tariff rationalization and targeted subsidies. Accelerate renewable energy through feed-in tariffs, PPPs and incentive manufacturing of green components. Complete hydro projects, privatize DISCOs, enforce feeder-level accountability and introduce retail competition. Implement smart metering and AI-driven loss audits to reduce theft and improve efficiency.

Upgraded Trade Corridors & Regional Hubs

Modernize road and rail infrastructure to cut logistics costs and unlock regional trade. Position Karachi and Gwadar as integrated logistics hubs through port digitization, bonded zones and multi-modal connectivity. Modernize ports with AI-enabled logistics, coastal economic zones and PPP terminals. Launch a Fisheries Modernization Program with block-chain traceability and solar-powered cold chains.

Agricultural Reforms

Boost productivity via contract farming, certified seeds, mechanization and climate-resilient practices. Improve water efficiency through pricing reforms and modern irrigation. Reduce post-harvest losses with cold chains and grading standards. Expand warehouse receipts, crop insurance, digital platforms and R&D.

Advancements and Anticipation

Climate Resilience

Pakistan being most vulnerable to the climate change needs to invest in flood defenses, drought resilient agriculture and urban drainage systems to protect livelihoods, stabilize food production and safeguard industrial zones. Prioritize climate vulnerability mapping and resilient design standards across provinces to ensure infrastructure durability and reduce disaster recovery costs, especially in flood-prone and arid regions.

National Foresight

Establish a National foresight think tank to track mega-trends (AI, climate, demographics, geopolitics), run cross-sectoral scenario planning workshops and provide early warning signals.

Conclusion

Pakistan economic revival cannot be achieved through a quick fix solution. It requires whole of the nation approach imbued with resilience, consistency and unflinching devotion. The SIGMA framework offers a practical path that blends structural reform with social uplift. Pakistan has immense human capital and channeling it by investment in education, health and empowerment; Pakistan can kick start engine for its sustained growth. Strong, transparent institutions and a binding Charter of Economy can restore investor confidence and policy continuity. Digital governance and tax reform can widen the fiscal space while reducing leakages and inefficiencies. Revitalizing energy, agriculture, and trade corridors will unlock productivity and global competitiveness. Climate resilience and foresight planning will safeguard progress against future shocks. Learning from regional successes while tailoring solutions to local realities can accelerate transformation. Above all, political will and national unity must anchor every reform effort. With disciplined implementation and shared commitment, Pakistan can move from stagnation to stability and from stability to lasting prosperity.

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HINDUTVA ASCENT AND THE ROLE OF RSS IN RESHAPING INDIAN IDENTITY: IMPLICATIONS FOR REGIONAL STABILITY AND PAKISTAN'S STRATEGIC RESPONSE

Tanveer Aslam, Bilal Ijaz, Muhammad Zeeshan, Naveed Ahmed, Muhammad Arslan Khan, Anjum Sohail, Jibril Bala Sabo (Nigeria)

Abstract

India's socio-political trajectory has undergone a decisive shift from constitutional secularism to assertive Hindu nationalist majoritarianism anchored in Hindutva ideology. Since 2014, the Rashtriya Swayamsevak Sangh (RSS) Bharatiya Janata Party (BJP) nexus has systematically institutionalized Hindutva through legislative action, institutional capture, demographic polarization, and civilizational narrative management. This article analyses India's transition from Nehruvian secularism to majoritarian nationalism, examines the RSS's organizational evolution and ideological architecture, and assesses the strategic implications of this transformation for Pakistan. Employing a mixed-methods approach combining qualitative analysis of expert interviews with Pakistani strategic scholars and quantitative survey data and anchored in four conceptual diction paradigms (Radicalization, System Survival, Spoiler Management, and the Olympius Code), the study argues that Hindutva constitutes a structural, long-term threat to regional stability rather than a temporary policy anomaly. For Pakistan, Hindutva's rise generates a multidimensional challenge spanning the Diplomatic, Information, Military, Economic, Financial, Intelligence, and Legal (DIMEFIL) domains. A coherent whole-of-nation response simultaneously exploiting India's internal contradictions and safeguarding Pakistan's national resilience is both necessary and urgent.

Keywords: Hindutva, RSS, Religious Nationalism, BJP, Hindu Rashtra, Pakistan, Regional Security, Akhand Bharat, Secularism, Spoiler Management.

Introduction

The rise of religious nationalism as a governing ideology in the world's largest democracy represents one of the most consequential geopolitical developments of the twenty-first century. India, long celebrated as a plural, secular republic anchored in the constitutional vision of Jawaharlal Nehru and B. R. Ambedkar, has since 2014 undergone a fundamental ideological reorientation under the Bharatiya Janata Party (BJP) and its parent organization, the Rashtriya Swayamsevak Sangh (RSS). This transformation from Nehruvian civic nationalism to Hindutva-driven ethnocultural majoritarianism is neither sudden nor accidental; it is the culmination of a century-long ideological project that has progressively moved from India's political periphery to the commanding heights of its state apparatus.[1]

Hindutva, as a political ideology, was codified by Vinayak Damodar Savarkar in 1923 and operationalized through the RSS, founded by Dr Keshav Baliram Hedgewar in 1925. It posits Indian nationhood as rooted in a shared Hindu cultural heritage, effectively subordinating religious minorities particularly Muslims and Christians to the status of second-class inhabitants whose civilizational loyalties are deemed extra-territorial.[2] The BJP's successive electoral victories in 2014 and 2019 have provided the RSS an unprecedented opportunity to institutionalize this vision across India's governance, judiciary, military, media, and educational institutions.

This development carries profound implications for regional stability in South Asia, and for Pakistan in particular. As Hindutva repositions Pakistan from a conventional neighbor to a civilizational adversary embedded in India's foundational ideological narrative, the bilateral relationship is structurally hardened against normalization. The revisionist geography of 'Akhand Bharat' assigns Pakistan a permanent role as an illegitimate rupture in India's civilizational continuity.[3]

Two research questions animate this study: (a) How has the BJP institutionalized religious nationalism across India's governance and statecraft since 2014? (b) What are the multidimensional strategic and policy implications for Pakistan? The article proceeds as follows: Section II reviews existing literature; Section III outlines the methodology and analytical framework; Sections IV–V trace the historical evolution of Indian national identity and the RSS's organizational architecture; Section VI analyses the institutionalization of Hindutva under BJP governance; Section VII assesses Pakistan-specific strategic implications across seven DIMEFIL domains; Section VIII presents policy recommendations; and Section IX concludes.

Literature Review

The scholarly literature on Hindu nationalism spans several decades and is anchored in both historical and political-science traditions. The foundational ideological texts Savarkar's *Hindutva: Who Is a Hindu?* (1923) and Golwalkar's *We, or Our Nationhood Defined* (1939) remain primary sources for understanding the ideological DNA of the RSS.[4] Golwalkar's explicit endorsement of European fascist models of national homogeneity as applicable to India has been examined extensively, establishing the intellectual genealogy of Hindu nationalist authoritarianism.[5]

The most comprehensive political science treatment is Christophe Jaffrelot's *The Hindu Nationalist Movement and Indian Politics* (1996), which traces the RSS's organizational growth and its relationship with the BJP.[6] Jaffrelot's 'stigmatization-and-emulation' framework explains how Hindu nationalists constructed Muslim and Christian minorities as existential threats to galvanize Hindu consolidation. Walter Andersen and Shridhar Damle's *Brotherhood in Saffron* (1987) provides the definitive organizational history of the RSS, documenting its cadre-building mechanisms and the construction of the Sangh Parivar ecosystem.[7]

Thomas Blom Hansen's *The Saffron Wave* (1999) situates Hindu nationalism within Indian democratic politics, demonstrating how the BJP leveraged the Mandal-Masjid conjuncture of the late 1980s to articulate Hindu identity as a political mobilization resource.[8] Eviane Leidig frames Hindutva as a variant of global right-wing extremism, noting its emphasis on cultural homogenization, civilizational victimhood, and ethno-religious exclusion.[9]

From a Pakistani strategic perspective, Rashid Wali Khan and Khurram Abbas's contribution to *Hindutva: A Threat to Regional Stability* (IPRI, 2021) documents the RSS-BJP nexus's systematic targeting of Muslim minorities and situates it within the broader India-Pakistan rivalry.[10] Gurharpal Singh's analysis of the BJP-led NDA government (2014–2019) identifies the structural mechanisms through which RSS cultural policy has been translated into state action, including reconfiguration of educational institutions, media ecosystems, and judicial appointments.[11]

A notable gap in the existing literature concerns the disaggregated, domain-specific assessment of Hindutva's implications for Pakistan across the full DIMEFIL spectrum. Most existing scholarship either focuses on India's domestic trajectory or offers broad strategic assessments without systematic policy-level analysis. This article addresses that gap by providing a paradigm-driven assessment grounded in primary interview data and four original conceptual paradigms.

Methodology

This study employs a mixed-methods research design integrating qualitative and quantitative approaches to ensure both analytical depth and empirical grounding.

Primary Data Collection

Qualitative data was collected through semi-structured interviews with eight subject-matter experts from Pakistan's strategic community: Dr Khurram Abbas and Dr Rashid Wali (IPRI), Dr Usama (ISSI), Dr Raja Qaiser (Quaid-e-Azam University), Dr Marium Kamal (Punjab University), Dr Mujeeb Afzal (Quaid-e-Azam University), Ambassador (R) Abdul Basit, and General (R) Zubair Mehmood Hayat. Interview data was coded thematically to identify convergent assessments of Hindutva's strategic implications for Pakistan.

Quantitative Data

A structured survey instrument was disseminated across Pakistani civil society and diaspora networks. Survey responses were analyzed for frequency distribution and attitudinal patterns regarding perceptions of Hindu nationalism's regional impact.

Secondary Source Selection

Sources were selected on four criteria: (a) peer-reviewed journals and books with established citation records; (b) institutional publications from recognized think tanks (IPRI, ISSI, NDU, Carnegie Endowment); (c) primary government and electoral data (Election Commission of India, ADR); (d) credible investigative media (Financial Times, Washington Post, BBC). Sources older than five years are included only where they constitute foundational works. Sources published 2020–2025 are privileged for all empirical claims.

Analytical Framework and Research Choice

The study's analytical approach is anchored in a deliberate research choice between two perspectives on Hindutva's significance for Pakistan. An **internal** perspective frames Hindutva's divisive politics as generating Indian vulnerabilities that Pakistan might exploit. An **external** perspective identifies Hindutva's revisionist ideology including Akhand Bharat and systematic anti-Pakistan narrativization as a direct structural threat to regional stability. These perspectives are treated as convergent: Hindutva simultaneously weakens India internally and heightens external risks. The study therefore adopts a dual analytical posture that takes the external threat as primary while noting exploitable internal Indian fault lines where relevant.

To provide analytical coherence across a multi-domain subject, the study employs four ***Conceptual Diction Paradigms***[12] developed iteratively through the expert interview process and refined against the secondary literature:

- **Radicalization Paradigm**: Traces the progression from cultural Hindu identity politics to institutionalized religious extremism. It explains how normalization of intolerance through condoned mob violence, legislative discrimination, and educational revisionism occurs incrementally, making each escalatory step appear as a continuation of precedent.

- **System Survival Paradigm**: Views the RSS-BJP nexus as a self-preserving ideological organism that rewires state institutions judiciary, bureaucracy, military, media to ensure Hindutva's perpetuation as the dominant political common sense, insulating it from democratic reversal.

- **Spoiler Management Paradigm (Stedman)**: Applies Stedman's framework for understanding spoiler behavior in peace processes [13] to explain how the RSS-BJP nexus structurally prevents substantive India-Pakistan dialogue even when windows of opportunity open.

- **Olympius Code**: Explains India's recurring use of manufactured external crises (Uri 2016, Pulwama 2019, Operation Sindoor 2025) to consolidate domestic political support for the Hindutva project, reinforcing the feedback loop between hyper-nationalism and electoral advantage.

The paper has three sub-sections: a) the first deals with Foundations of Hindutva and the RSS; b) the second one deals with the BJP-RSS in Power: Institutionalizing Hindutva: the BJP-RSS in Power and c) the third relates to the implications of rising Hindutva for Pakistan.

Evolution of Indian National Identity: Hindutva and the RSS

India's national identity is multifaceted, rooted in ancient civilizations like the Indus, Vedic, and Gupta periods, which emphasized cultural pluralism. Early identities were based on regional and religious affiliations rather than a unified nation-state. During colonial rule, the British introduced institutions and education, while Indian reformers like Raja Rammohan Roy balanced tradition with modernity, sparking cultural nationalism. The Revolt of 1857 fostered Hindu-Muslim unity against foreign rule. The Indian National Congress, founded in 1885, evolved from seeking representation to demanding independence, while Gandhi's leadership promoted a secular, inclusive national identity. However, alongside secular nationalism, religious nationalisms, notably Hindu nationalism, began to emerge, deepening the division between secularists and religious nationalists, particularly after Partition in 1947.

Journey Through Civilizations

- **Civilizational Foundations and Cultural Pluralism**: Early civilizations such as the Indus Valley and Vedic traditions emphasized pluralism, with movements like Bhakti and Sufi focusing on inclusivity.

- **Colonialism and the Birth of Political Nationalism**: British rule disrupted India's economy but also spurred the growth of nationalism, with reformers such as Raja Rammohan Roy synthesizing Indian traditions with Western liberal ideas, giving rise to a distinct modern Indian consciousness. The Revolt of 1857 and later developments laid the foundation for the Indian independence movement.

- **Nationalism Institutionalized: Congress and Gandhi**: Gandhi and Ambedkar advocated for secular, inclusive nationalism, while Hindu and

Muslim nationalists (e.g., Savarkar and Jinnah) pushed for religiously defined states, leading to Partition in 1947.

- **The Rise of Religious Nationalisms**: In the 1980s-90s, the BJP exploited the demolition of the Babri Masjid in 1992 to upsurge Hindu nationalism, marking a shift from cultural nationalism to religious extremism.

Evolution of Hindutva Ideology

Hindutva's genesis can be traced to Hindu resistance to foreign rule, particularly the Maratha Empire's opposition to the Mughals in the 17th century. This historical context shaped modern Hindu nationalist thought, Hindu reformers like Raja Ram Mohan Roy's Brahmo Samaj (1828) and Dayananda Saraswati's Arya Samaj (1875) sought to counteract Christian and Islamic influence, promoting a redefined Hindu identity. Members of the Congress, influenced by Hindu reform movements, formed the Hindu Mahasabha in 1914 after the Congress rejected Hindu nationalism in favor of a broader Indian nationalism.In 1923, Savarkar's "Essentials of Hindutva" outlined India's identity as rooted in common ancestry, culture, and religion. He excluded Muslims and Christians due to their religious ties outside India. Hindutva was presented as a cultural-political identity, emphasizing Hindu Rashtra (Hindu Nation) as India's natural political expression, focused on reclaiming India's past and fostering a unified Hindu nation.

Hinduism Vs Hindutva

Savarkar distinguished Hinduism from Hindutva as under:

Aspect	Hindutva (as per Savarkar)	Hinduism (Religion/Philosophy)
Core Idea	A cultural-political identity rooted in shared land, heritage and nationhood.	A religious-philosophical system of beliefs, rituals and spiritual practices.
Definition of Hindu	One who regards India as both Fatherland (Pitribhumi) and Holy Land (Punyabhumi).	A follower of religious traditions derived from the Vedas, Upanishads and other scriptures.
Scope	Broad civilizational identity includes Hindus, Buddhists, Jains, Sikhs (all born in India).	Primarily religious, focused on doctrines like dharma, karma, moksha, etc.
Inclusion/ Exclusion	Excludes Muslims and Christians, as their holy lands are outside India.	Potentially inclusive, accepts diverse schools of thought, even outside mainstream orthodoxy.

Focus	Nationhood, culture, race and political unity of Hindus.	Spirituality, philosophy, rituals, moral codes and paths to liberation.
Nature	Secular in theology but nationalist in essence.	Theological, metaphysical and ritual-based.
Objective	Establish a Hindu Rashtra (nation-state).	Seek moksha (liberation) or fulfillment of religious duties.
Historical Role	Response to colonialism and identity politics in early 20th century.	Millennia-old religious and philosophical tradition evolving since the Vedic period.

Rise and Organization of the RSS

Foundation of RSS

The Rashtriya Swayamsevak Sangh (RSS) was founded in 1925 by Dr. Keshav Baliram Hedgewar, a Brahmin from Nagpur. A former Congress member critical of Gandhi's leadership and its failure to protect Hindu interests, Hedgewar was influenced by the 1923 Hindu-Muslim riots in Nagpur. He envisioned a cultural movement to reshape India's future, fostering a disciplined volunteer force or "swayamsevaks" to build a cohesive Hindu identity and a society capable of defending Hindu interests.

Ideology of RSS

The RSS ideology was influenced by Hindu nationalist thinkers like Vinayak Damodar Savarkar, whose 1923 book Essentials of Hindutva defined Hindus by territorial and racial belonging, rather than just religion. The RSS sought to revive Hindu supremacy, which they believed had been diminished by centuries of foreign rule.

Golwalkar’s Vision

M.S. Golwalkar, the second head of the RSS, further developed its ideology. In his 1939 book We, or Our Nationhood Defined, Golwalkar praised European fascist models of national unity and argued that minorities should have a subordinate role in India. As RSS chief from 1940 to 1973, Golwalkar pushed for a Hindu Rashtra, where cultural homogeneity was prioritized over pluralism, marginalizing religious minorities and denying India’s rich diversity.

Comparative Ideological Parallels: Fascism, Nazism & Hindutva

Convergence of the interests of Savarkar, RSS and the Mahasabha termed by Christophe Jaffrelot as the "Maharashtrian Crucible", provided launchpad for consolidation of Hindutva. RSS became its vanguard and continues to serve as a militant arm of BJP even today. Analysis divulges that rise of ultra nationalist movements in Italy and Germany also had a strong influence in crystalizing the contours of Hindutva. It is postulated that "Germany's racial policies influenced Savarkar to solve the 'Muslim problem' in India." There are stark similarities in three ideologies, which were in play generally in the same time frame:

Strand	**Fascism**	**Nazism**	**Hindutva**
Origin	Italy	Germany	India
Time period	1920 onwards	1930-1945	1923 onwards
Aspiration	Third Rome	German Reich	Akhand Baharat
Mainstay	Nationalist	Nationalists with racial pride	Nationalist with racial Pride and religion
Ideologue	Giovanni Gentile	Johann Gottlieb Fichte Wilhelm Heinrich Riehl	Savarkar
Opposed	Liberalism	Liberalism, Jews	Leftist, Muslims
Identity	Roman-ness	German-ness	Hindu-ness
Race	Mediterranean branch of Aryan race	Nordic Aryan	Hindu (Arya varta and Daxiansatah)
Attire	Black Shirt	Brown shirts	Khaki shorts

Acclaimed Italian Historian Marzia Casolari suggested that "even in 1930 RSS hoped to be in future India what the 'Fascisti' are to Italy and the 'Nazis' to Germany." Robert Owen Paxton, an American political scientist also identified seven strands of fascist movements and its comparison in the Indian context brings interesting results:

Ideological Thought	Political Manifestation in India
Belief in victimhood of the group is its basis for justification of any action against perceived enemies.	Millennium of Hindu Slavery. Humiliation of Baharat Mata by invaders. Hindu in danger even now. Muslims are threat even in minority.
Fear of decadence of the group under corrosive effect of individualism and liberalism.	Shun modern ideas. Preserve Ancient Hindu traditions. Return to vedic times, revival of Sanskrit.
Primacy of the group over every other right and responsibility	Primacy of RSS in politics and Hindus in society.
Fascio (brotherhood) to foster community unity based on common convictions.	Shaksa in every Mohalla. Same dress code and rituals. Militarized organizational structure.
Misplaced sense of nationalistic grandeur which reinforces individual self-esteem.	Bahart Mata. Akhand Bharat. Mahan Bharat.
Idolization of leader, hinged on his ability to deliver on ideology.	Savarkar and Modi.
Adherence to violence is considered essential to group's success in line with Darwinian struggle.	Riots, Military training. Mass killing, lynching. Calls for genocide.

By the late 1930s, while the freedom movement gained traction, the RSS remained detached, rejecting the national tricolor and refusing to fly the Indian flag at its headquarters. It also opposed the Pakistan movement, and the partition was a setback for Hindutva. The RSS opposition to Gandhi's non-violence led to the assassination of Gandhi by Nathuram Godse, resulting in political marginalization of both the RSS and the Hindu Mahasabha. After Partition, Hindutva ideologues recognized the need for active politics to address the injustice of partition. In 1951, S.P. Mukherjee founded the Bharatiya Jana Sangh (BJS), a political party infused with RSS nationalism, to promote Hindu socio-political identity and remain politically relevant. Despite early marginalization, the RSS continued to build its organizational strength.

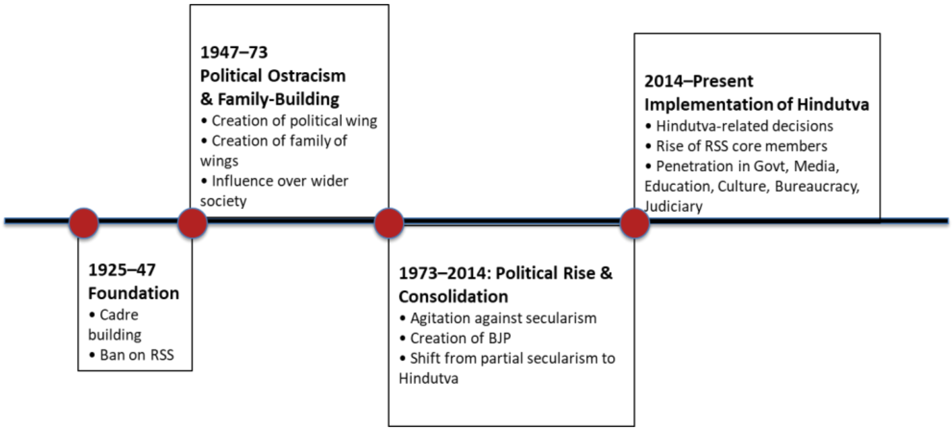
RSS has evolved from a small voluntary organization with no political role/ ambitions to the largest non-governmental organization controlling largest democracy of the world. Its evolution over last 100 years can be divided into following 4 phases as discussed below:

Phase 1 Foundation (1925-47).

Phase 2 Political Ostracism and Building a Family (1947-1973).

Phase 3 Political Rise and Consolidation (1973 - 2014).

Phase 4 Implementation of Hindutva (2014 onward).



Phase 1 Foundation (1925-47)

RSS's early focus was on building a disciplined cadre of volunteers (swayamsevaks). The organization structured itself around shakhas (branches) to spread its ideology, blending Hindu rituals, physical training, and Hindutva ideology discussions. Key figures like Atal Bihari Vajpayee and Narendra Modi began here. The partition and Gandhi's assassination led to the RSS's ban in 1948 until it accepted India's Constitution in 1949.

Phase 2 - Political Ostracism and Building a Family (1947 - 1973)

RSS built the Sangh Parivar, a network of affiliated organizations to influence various sectors, while maintaining an apolitical stance.

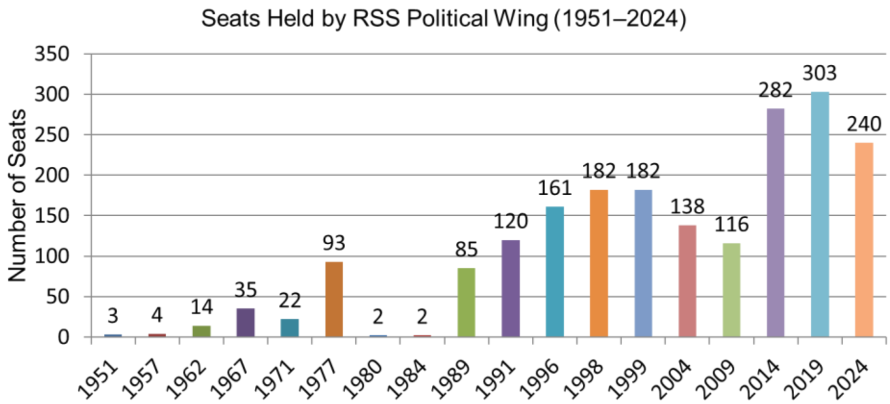
Key developments included:

- **BJS (1951)**: RSS's political wing.
- ***VHP, ABVP**, BMS*: Engaged in religious, student, and labor movements. By the end of this phase, RSS had a strong presence in politics, education, labor, and religion.

Phase 3 - Political Rise and Consolidation (1973 - 2014)

RSS shifted toward socio-religious mobilization and Hindutva ideology:

- 1970s unrest: RSS joined protests against Indira Gandhi.
- BJP formation (1980): RSS's political arm, BJP, grew in influence.
- Shift to Hindutva: The BJP embraced Hindutva, notably after the Babri Masjid demolition in 1992.
- BJP electoral rise: In 1996, BJP became the largest party, marking Hindutva's rise.
- Post-2004, RSS pushed BJP to adopt stronger Hindutva stances, culminating in Modi's 2014 election.



Phase 4: Implementation of Hindutva (2014 onward)

In the current phase we witness more aggressive approach by RSS supported BJP toward implementation of Hindutva ideology across length and breadth of India.

Hindutva Policy Actions

RSS-supported BJP has aggressively pursued Hindutva policies:

- Article 370 (2019): Revoked Jammu & Kashmir's special status.
- CAA (2019): Prioritized non-Muslim refugees.
- Ram Mandir: Construction at Ayodhya.

- Uniform Civil Code: Supported by RSS-BJP.
- Cultural Rewriting: NCERT textbooks emphasize Hindu heritage.

Where RSS Stands Today

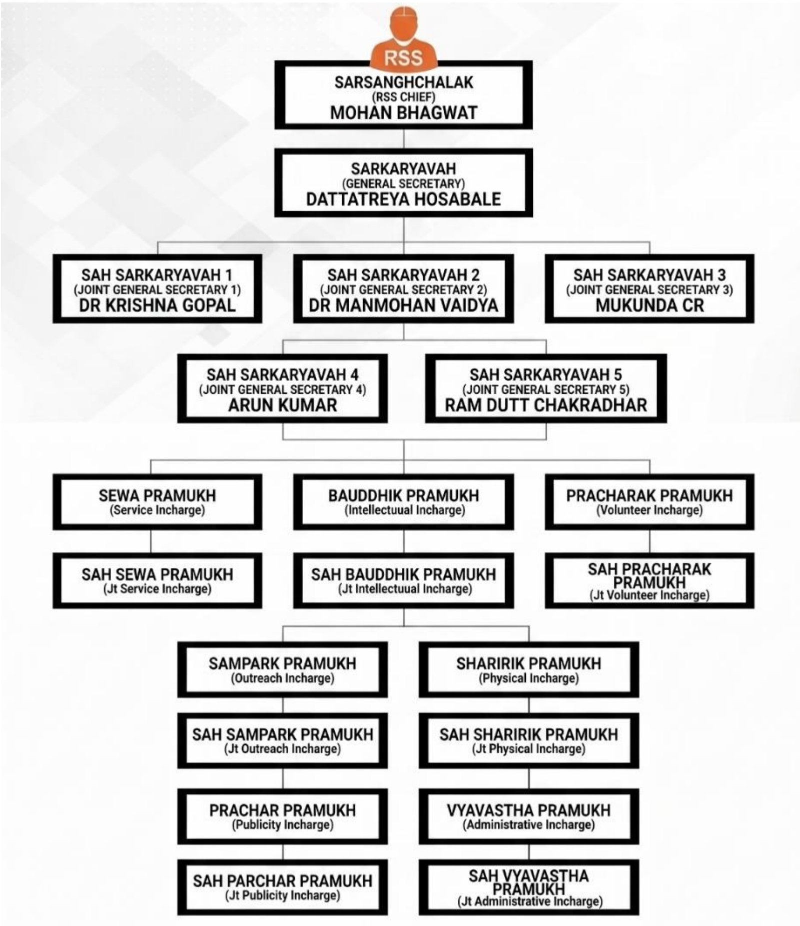
As of today, The RSS stands at its strongest point in history. This can be seen in following factors:

- Organogram of Leadership.
- Growth in RSS membership and Sangh Parivar.
- Penetration of RSS in non-affiliate organization.

RSS Leadership

The leadership of RSS is structured as under:

The Rashtriya Swayamsevak Sangh Organisation Chart



RSS Membership

Category	Count / Membership
RSS Membership	5-6 million people, making it the largest volunteer organization globally.
Daily Shakhas	83,129 (2025)
Total Activity Centers (Daily + Weekly)	115,276, including 51,710 daily and 21,936 weekly activity centers.
Rural Mandals	58,981, with 30,770 daily shakhas and 9,200 weekly centers (total 39,970) in rural areas—a marked uptick in rural mobilization.
New Members (2024–25)	222,962, with 163,000 of them in the 14-25 age group.

Sangh Parivar Organizations

Over the decades, dozens of Sangh were created. There is no official single count, however, scholarly estimates usually put the number at 35 major organizations, with hundreds of smaller local or sectoral affiliates.

Category	Organization	Membership / Reach
Political	Bharatiya Janata Party (BJP)	202 million members (as of 2024)
Students & Youth	Akhil Bharatiya Vidyarthi Parishad (ABVP)	5 million members, making it one of the world's largest student organizations
	Bajrang Dal	Mass mobilization wing; numerical estimates not published
Workers & Farmers	Bharatiya Mazdoor Sangh (BMS)	6.2 million (2002 official); union claims 10 million today
	Bharatiya Kisan Sangh (BKS)	8 million (farmer outreach wing)
Women	Rashtra Sevika Samiti	100,000–1 million; ~875 daily centers and 5,215 total activity centers

Religion & Culture	Vishwa Hindu Parishad (VHP)	Estimated ~6.8 million; major religious mobilization wing
	Vanavasi Kalyan Ashram	Tribal outreach; active in multiple states (membership not quantified)
	Samskrit Bharati	Promotes Sanskrit; conducts classes nationwide
	Rashtriya Sikh Sangat	450 shakhas; 50,000–100,000 volunteers
Education & Service	Vidya Bharati (Schools Network)	Runs approximately 14,000 schools, employing 73,000 teachers and educating 3.2 million students
	Bharat Vikas Parishad (BVP)	~68,096 members (2018–19)
Professionals	Akhil Bharatiya Adhivakta Parishad	Largest lawyers' association in India
	National Medicos Organisation	Network of medical professionals
Diaspora	Hindu Swayamsevak Sangh (HSS)	Active in 156 countries, ~3,289 branches

Penetration of RSS into Non-Affiliate Organisations

Cultural & Educational Institutions

The RSS has secured positions in influential cultural and educational bodies like the Indian Council of Historical Research (ICHR), NCERT, and universities. Appointments of RSS affiliates, such as Yellapragada Sudershan Rao to ICHR, allow it to shape narratives on history and culture. RSS-backed groups like Vidya Bharati are influencing school curricula to promote Hindu nationalist ideals.

Media

RSS-affiliated media ecosystems amplify the RSS-BJP worldview. Think tanks aligned with the RSS influence policy debates, while large corporates, such as Reliance and Adani, ensure media outlets remain sympathetic to the RSS ideology. Government coercion further aligns media with the ruling party, limiting diverse perspectives.

Bureaucracy

In 2024, the DoPT removed restrictions on RSS involvement for government employees, aligning the bureaucracy with RSS ideology. RSS-affiliated groups like ABVP help mentor civil service aspirants, ensuring ideological alignment in key positions. The lateral entry policy has also brought RSS affiliates into mid and senior-level bureaucratic roles.

Internal Security and Home Affairs

Security agencies, including the police and Intelligence Bureau, align with the BJP-RSS agenda, particularly on issues like Kashmir, anti-conversion laws, and CAA. Officers who take tough stances on communal or terrorism issues find ideological support from RSS networks.

Judiciary

The RSS is reshaping India's judiciary through its affiliates, such as the Akhil Bharatiya Adhivakta Parishad. Judicial decisions on landmark cases (Babri Masjid, CAA, Article 370) indicate a shift towards majoritarian jurisprudence. The executive's appointment of like-minded judges reinforces this trend.

Corporate and Business Tycoons

The BJP-RSS nexus with corporate India is symbiotic. Business tycoons like Adani and Ambani benefit from government policies, while corporates support the BJP financially. This relationship has resulted in substantial electoral donations, reinforcing RSS-BJP influence.

Summing Up

The historical journey from fragmented civilizational identity to a contested secular republic and finally to the current project of a Hindu Rashtra, provides the essential context for understanding modern India. The RSS, born from the ideology of Hindutva, has meticulously built its organizational strength over a century, moving from the margins to the very center of state power. Its institutional capture and deep penetration across all facets of Indian life demonstrate a fundamental and enduring shift in India's socio-political fabric, setting the stage for examining the concrete policies and impacts of its rule.

The BJP-RSS in Power: Institutionalizing Hindutva

Under Modi, the BJP has mainstreamed Hindutva, redefining Indian nationalism as Hindu and portraying minorities, especially Muslims, as civilizational threats. This marks a departure from India's constitutional secularism. The BJP, as the political arm of the RSS, uses state institutions, media, education, and culture to embed Hindu nationalist ideology, shaping public discourse and everyday life. Religion has become a tool for polarization, leading to the marginalization and violence against minorities, while also straining relations with Muslim-majority neighbors like Pakistan.

Hindutva Policy Actions and Legislative Shift

The BJP's governance has been marked by sustained anti-minority narratives portraying Muslims as demographic and civilizational threats despite such claims being statistically unfounded. These narratives are instrumentalized to legitimize exclusionary policies.

A key promise fulfilled was the abrogation of Article 370 in 2019, removing Jammu & Kashmir's special status. This was followed by intensive efforts to saffronize the region:

- Forced religious practices in schools.
- BJP takeover of Waqf institutions.
- Dilution of Urdu's official status.
- Issuance of 3.4 million domicile certificates to non-locals.
- Delimitation favoring Hindu-majority Jammu over the Kashmir Valley.

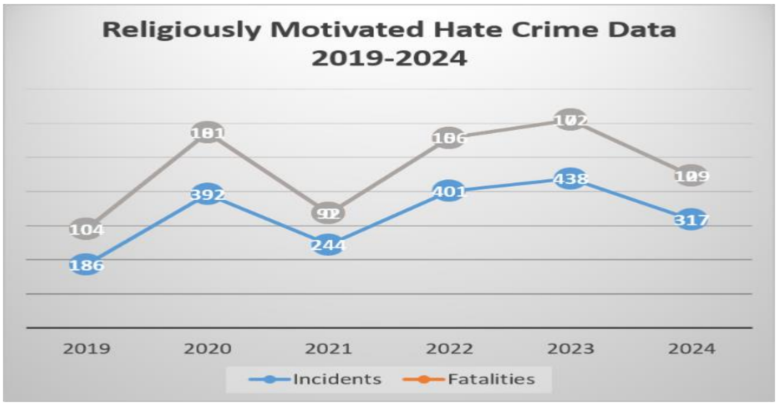
The appointment of Yogi Adityanath as Chief Minister of Uttar Pradesh further normalized extremism. His tenure has been marked by bulldozing Muslim properties, repression of religious gatherings and vigilante violence linked to groups like Hindu Yuva Vahini.

Domestic Socio-Political Impact

India today presents a contradiction: a constitutionally secular state experiencing rapid religious radicalization. Hindutva is reshaping Hinduism's plural traditions into an exclusivist, majoritarian ideology.

Radicalization of Indian Society

State tolerance and patronage of communal violence have led to increased lynchings, hate crimes and mob justice by RSS affiliates such as the VHP, Bajrang Dal and Gau Rakshaks. Religious extremism has been normalized, with violence yielding electoral dividends. Pattern of sustained violence through religiously motivated hate crime is visible as shown in graph below.



Systematic Persecution and Demographic Polarization

The RSS considers Partition a historical blunder and minorities are continuously scrutinized as a demographic threat to the "Hindu Rashtra, systemically persecuted."

- Muslims (14.2% of population) are the poorest religious group.
- Over 2 million minorities displaced (2019–2024).
- Revival of reconversion drives (*Ghar Wapsi*), “Love Jihad” campaigns and harsher anti-conversion laws.
- A Geneva-based study found that a 1% rise in riots increased BJP vote share by 4.5%.
- Despite holding 395 parliamentary seats, the BJP currently has no Muslim MPs, reflecting deep political exclusion.

Institutional Capture and Saffronization: Hindutva’s consolidation depends on systematic control over state institutions.

Bureaucracy: RSS-linked coaching bodies like Samkalp dominate civil services recruitment; since 2015, 60.4% of selected officers reportedly emerged from this ecosystem. In 2024, restrictions on government employees’ participation in RSS activities were formally removed.

Judiciary: Judicial deference to the executive has increased. Former CJI Ranjan Gogoi’s nomination to the Rajya Sabha after presiding over key Hindutva-aligned verdicts raised concerns of institutional compromise. Former judges openly joining Hindutva organizations further blur constitutional boundaries.

Military: The Indian military, once apolitical, has been increasingly politicized.

- Military operations used for electoral mobilization.
- Religious rituals institutionalized in army spaces.
- RSS control over 62% of Sainik Schools (91% of new ones in BJP states).
- Historical revisionism embedded in military education.
- Preferential elevation of ideologically aligned officers.

This transition has embedded hyper-nationalism and religious symbolism within the armed forces.

Media and Discourse: A pro-RSS media ecosystem amplifies Hindutva narratives. RSS-backed think tanks shape strategic and policy debates, reinforcing ideological conformity.

Cultural and Educational Rewriting: Rewriting history is central to Hindutva consolidation:

- School curricula glorify Hindu civilizational myths while vilifying Islamic history.
- Cities renamed to erase Muslim heritage (e.g., Allahabad → Prayagraj).
- Promotion of pseudoscientific claims rooted in religious mythology.
- Bollywood leveraged to normalize Hindutva narratives (*Tanhaji*, *The Kashmir Files*).

Economics of Exclusion: The BJP–RSS project is underpinned by corporate-state alignment:

- BJP received ~55% of all electoral bond funding (₹8,252 crore).
- Corporate beneficiaries, notably Adani, saw unprecedented wealth accumulation.
- Economic marginalization of Muslims persists, marked by lower employment and concentration in vulnerable informal sectors.

This fusion of state power, corporate capital and ideology has deepened inequality along communal lines.

Regional Impact

Hindutva has reshaped India’s foreign policy through an expansionist “Akhand Bharat” worldview.

Regional Integration: South Asia remains the least integrated region globally, with intra-regional trade at only **5%**, as SAARC remains paralyzed by India’s hegemonic posture.

Regional Security: Hindutva-driven assertiveness has heightened instability:

- Kashmir remains a nuclear flashpoint.
- Crises such as Uri, Pulwama and Pahalgam reflect ideological escalation.
- RSS-BJP ideology acts as a structural barrier to dialogue and peace.

Relations with Neighbors: Hindutva-driven policies have strained India's relations with its neighbors.

In an attempt to “territorialize Hindutva”, Claims to "recover every inch of Aksai Chin", unilateral revocation of Article 370, provoked a sharp response in the Galwan Valley clash.

This demonstrated a disjunction between Indian ideological ambition and its capability.

- **China**: Aksai Chin claims and Article 370 revocation triggered Galwan clashes.
- **Afghanistan**: Engagement driven by strategic rivalry with Pakistan despite ideological contradictions.
- **Bangladesh**: CAA-NRC politics reframed relations through demographic paranoia.
- **Nepal**: Economic coercion and territorial claims undermined sovereignty.
- **Bhutan**: Remains within India’s strategic orbit, including permanent Indian military presence.

Summing Up

The BJP has transformed Hindutva from an ideological movement into a governing framework, fundamentally altering India’s secular, democratic character. Institutional capture, societal radicalization and regional aggression reflect a dangerous redefinition of Indian nationalism. If left unchecked, this trajectory risks internal fragmentation and regional instability, with particularly grave implications for South Asia and India–Pakistan relations.

Implications of Rising Hindutva on Pakistan

India's ideological realignment, where Hindutva shifts from political periphery to the state's core, recasts Pakistan as a civilizational rival rather than a conventional neighbor. This structural turn fuses identity, power, and strategy, diluting constitutional secularism at home and externalizing internal fault lines abroad, with direct implications for Pakistan's security, diplomacy, and economy.

Using the Radicalization, System-Survival, Spoiler Management, and Olympius Code frameworks, Hindutva's rise normalizes majoritarian exclusion, embeds regime survival into institutional structures, elevates hardline actors as spoilers of reconciliation, and enables diversionary strategies that project domestic crises outward, often targeting Pakistan deliberately.

India's Posture: Pre and Post-Hindutva Ascendancy

The following comparison highlights the stark evolution in India's strategic behavior, underscoring the systemic and ideological nature of the current threat:

Domain / Parameter	**Erstwhile India (Pre-2014)**	**Hindutva-Driven India (2014-2025)**
Strategic Culture	Strategic restraint; status-quo power.	Offensive realism; revisionist power. "Doval Doctrine" of offensive defense.
Diplomatic Posture	Covert maneuvering; calculated diplomacy.	Overt hostility; "Isolate Pakistan" mantra. Muscular policy. Intransigence on Kashmir. Spoilers (RSS ecosystem) as state actors.
Dialogue Architecture	Structured talks/composites intermittently.	No structured dialogue; message via coercive diplomacy and backchannel only.
Sport/ Arts	Segregated from politics (imperfectly).	Weaponization of sports & media industry (bans, boycotts, access denial).
Kashmir Policy	Treated as a bilateral dispute; intermittent dialogue.	Unilateral annexation (post-2019); framed as an internal counter-terrorism issue. No dialogue.

Domain / Parameter	Erstwhile India (Pre-2014)	Hindutva-Driven India (2014-2025)
Military Doctrine	Defensive orientation; reactive cross-border engagements.	Punitive escalation; "New Normal" of kinetic reprisals (e.g., Uri, Balakot, Pahalgam); politicized command ("Modi ki Sena").
Hybrid Warfare	Covert, deniable operations; focus on non-kinetics.	Integrated multi-domain campaigns; psychological, information, and economic warfare.
Economic Strategy	Competitive economic rivalry; granted MFN status.	Politicized strangulation; weaponization of water (IWT), trade, and even sports. Relentless attempts to disrupt Pakistan's economy (FATF, GSP+ status).
Information Strategy	Opportunistic propaganda.	Professionalized disinfo (incl. international lobby firms; EU DisinfoLab-type clusters); global narrative warfare.
Regional Cooperation	Limited engagement via SAARC.	Active disruption of regional forums; rendered SAARC dysfunctional.
Societal Orientation	Historical animosity; secularistic inclusivity.	Ideological radicalization; societal hatred fueled by state-sponsored anti-Pakistan/ anti-Muslim rhetoric.
Legal (Lawfare)	Reactive and sporadic use of international law.	Proactive manipulative exploitation; using legal tools for coercion (e.g., extradition requests, IFI complaints).

This shift poses paramount threat to Pakistan. The ensuing paras will explain how Hindutva obstructs reconciliation, legitimizes exclusion and sustains aggressive nationalism providing a foundation to assess the acute strategic implications for Pakistan.

- **Diplomacy**: India's economic and strategic strength gives it leverage to woo Pakistan's allies, limit its regional access, and dominate multilateral forums. Pakistan must build coalitions, exploit diplomatic space, and counter India's narrative, as peace prospects remain low.
- **Information**: India controls global perceptions via media, tech, and diaspora lobbying, marginalizing Pakistan and causing reputational, economic, and diplomatic harm. Pakistan should strengthen information sovereignty, digital diplomacy, and narrative management.
- **Military**: Hindutva ideology lowers India's threshold for punitive action, increasing miscalculation risks. Pakistan requires credible deterrence, rapid response, and resilience against hybrid threats.
- **Economic/ Financial**: India marginalizes Pakistan economically, leveraging trade, investment, and financial institutions, while using legal pressures like FATF. Pakistan must diversify partnerships and strengthen legal engagement.
- **Intelligence**: India uses hybrid warfare and proxy networks to destabilize Pakistan, exploit vulnerabilities, and undermine initiatives like CPEC, draining governance and finances.
- **Legal**: India weaponizes law to legitimize coercion, normalizing treaty violations and shrinking Pakistan's legal space. Pakistan must counter these claims.
- **Technological**: India's tech rise and global digital influence portray Pakistan as a digital risk. Pakistan must resist illiberal frameworks and improve digital engagement.

Summing Up

India's Hindutva-driven nationalism has turned rivalry into perpetual conflict with multidimensional coercion. Pakistan must combine diplomatic reclamation, information sovereignty, geo-economic reorientation, perpetual readiness, and counter-hybrid strategies, while leveraging India's internal contradictions.

Way Forward/ Policy Recommendations for Pakistan

(Policy recommendations are structured with Short Term (ST), Mid Term (MT), Long Term (LT) timelines and specify the lead agency responsible for implementation)

As India's strategic thinkers weave threads of mythology into their modern geopolitical tapestry, they view their role through the lens of the Mahabharata, casting themselves as the righteous Pandavas in a grand civilizational struggle. Yet, in reality, India has chosen path of Kauravas who are deceitful and wicked as is evident from their infinite, zero-sum game of hybrid warfare, weakening Pakistan through deception and coercion. Pakistan must therefore see through this narrative and respond with clarity, strength and strategic precision.

Response Outline: As we concluded Hindutva is a dual-faced phenomenon: an internal vulnerability for India and an external, clear and present danger to Pakistan. Our national response must therefore be equally dual-pronged; one effort focused on exploiting its internal fragmentation, and the primary, overarching effort focused on safeguarding the Pakistani state.

Exploiting Internal Fault Lines (Covert & Calibrated):

To tacitly exacerbate India's internal socio-political fissures, stretching its strategic attention and resources.

Narrative Amplification of Internal Discord (ST-MT: 1-3 years)

- **Action**: Systematically amplify authentic reporting and voices from within India that highlight the socio-economic costs and human rights impacts of Hindutva (e.g., minority persecution, caste discrimination, civic unrest).
- **Method**: Use digital platforms and indirect channels to boost content from credible international (HRW, Amnesty) and domestic Indian sources.
- **Lead**: MoFA (Public Diplomacy), MoIB.
- **Support**: NCHR, civil-society partners.

Leveraging Sub-Nationalist Grievances (MT: 2-3 years)

- **Action:** Foster and provide diplomatic and moral support for legitimate sub-nationalist movements (e.g., Khalistan, Naxalites) on international fora, focusing on their right to self-determination and highlighting state oppression.
- **Method**
    - **Sikh Diaspora**: Facilitate diaspora advocacy through legal and political channels in key Western countries.

- o **Naxalite Grievances**: Amplify narratives of tribal displacement and state neglect in the "Red Corridor" through academic and NGO partnerships.

- **Lead: MoFA**: **(Human Rights; Discreet Diplomacy Cell).**
- **Support**: Law & Justice, NCHR, MoIB.

Evidence-Based Advocacy & Documentation (ST: 6-12 months; MT: 2-3 years)

- **Action**: Systematically document HRVs, hate crimes and discriminatory statutes (CAA/NRC/Waqf Act 2025); packaging it for discreet sharing with foreign governments, lawmakers, and international NGOs (UNHRC/ ICJ/ UN).
- **Lead**: MoFA (UN/ HR desks), Ministry of Law & Justice.
- **Support**: MoIB, NCHR.

Cultural & Religious Diplomacy (ST: 1-2 years)

- **Action**: Actively promote Pakistan as a beacon of religious tolerance and cultural continuity, directly contrasting Hindutva's exclusivity.
- **Method**: Scale Kartarpur Corridor facilitation; Sufi heritage circuits; Sikh, Buddhist, Jain historical sites; interfaith conferences with international partners - project Pakistan's pluralism vs. exclusionary Hindutva.
- **Lead**: MoFA (Public Diplomacy) & Ministry of Religious Affairs.
- **Support**: MoIB, Provincial Governments, Pakistan Tourism Development Corporation.

Safeguard Against Hindutva (Overt & Primary Effort)

To directly counter this multifaceted threat, Pakistan's response must be comprehensive, structured on a four-pillar framework:

- **Thwart**: Foil and expose Hindutva through information maneuvers; intensify political-symbolic signaling on Kashmir; and execute strategic lexicon reorientation to reframe the narrative.
- **Fortify**: Strengthen domestic resilience by addressing socio-political and economic vulnerabilities exploitable by hybrid warfare.
- **Integrate**: Enhance Pakistan's regional and global relevance through economic connectivity and strategic partnerships, reducing its diplomatic isolation.

- **Deter**: Contain and offset Hindutva aggression through robust military preparedness and proactive diplomacy, establishing clear red lines.

Thwart - Information Riposte

Audience-Specific Narrative Warfare (ST-MT: 1-3 years)

- **Islamic World**: Associate Hindutva with Islamophobia to counter Indian influence in OIC states. MoFA in lead; MoIB, ISPR, Missions to OIC in support.
- **West**: Highlight its fascist tendencies to Europe and its authoritarianism to the US, using reports from Freedom House, V-Dem, and USCIRF as evidence. MoFA in lead; MoIB, ISPR, Law & Justice (MoL&J) in support.
- **Regional Countries (ASEAN, CARs)**: Warn of the expansionist threats inherent in the "Akhand Bharat" doctrine. MoFA in lead; Commerce (MoC), BOI in support.
- **Multi Pronged Information Riposte**

Political Symbolic Signaling on Kashmir (ST: 6 months - 2 years)

- Reiterate to global powers that normalization with India requires a just Kashmir solution. **Lead:** MoFA, Support: PMO, NSD, MoIB.
- Amend Article 2 of AJK Constitution to assert jurisdiction over entire J&K. **Lead:** AJ&K Govt, Support: MoL&J, MoFA.
- Appoint Plebiscite Adviser and create global Kashmiri registry. Lead: AJ&K Govt, Support: NADRA, MoFA, MoIB.
- Appoint Special Envoy to lead global advocacy, lawfare, and diaspora registration. Lead: MoFA, Support: PMO, MoL&J, MoIB, ISPR.

Lexicon Reorientation (ST: 0-6 months)

- Shift terminology from “Fitna ul Hind” → “Fitna ul Hindutva” to target ideology.
- Label India’s water disputes as “Water Terrorism”; pursue ICJ action and global advocacy.

Lead: MoIB/MoFA, Support: ISPR, MoL&J, Water Ministry.

Fortify - Building Domestic Resilience

A nation divided cannot withstand hybrid warfare. Pakistan's first priority must be to build an unassailable internal front, immunizing society and state against subversion and ensuring long-term stability.

National Cohesion and Governance

- **Political Reconciliation (3–4 years)**: Create National Security Consensus Framework across parties. Lead: NSD/PMO | Support: MoFA, MoD, MoI.
- **Zero Tolerance for Terrorism (0–12 months)**: Enforce R-NAP, protect minorities. Lead: MoI | Support: Provincial Govts, NIFTEC, NACTA, MoHR.
- **Clausewitzian Trinity (1–2 years)**: Strengthen population, government, LEA coordination and threat awareness. Lead: MoI/NACTA | Support: ISPR, NIFTEC, MoIB, Provincial Home Depts.

Economic Security

- **Policy Consistency & Stimulus (5–6 years)**: Predictable policies, strategic packages for exports, IT, agriculture to mitigate "Double Drain." **Lead:** MoF | Support: MoC, BOI, SBP.
- **Compliance Shield (1–2 years)**: Maintain FATF/GSP+ compliance, pre-brief partners, diversify markets. Lead: MoF, Support: MoC, EAD, MoFA.
- **Water Security (LT: 5-10 years)**: Convert "Water Terrorism" narrative into hydrological practice: fast-track dams & storage, canal lining, metering, loss-reduction, drought planning and provincial coordination. Ministry of Water Resources in lead; Provinces, MoPDR, Finance in support.

Strategic Awareness and Legal Preparedness

- **National Curriculum Integration (MT: 3-4 years)**: Revise secondary to university curricula to include subcontinent history, Two-Nation Theory, and hybrid warfare awareness. Lead: MoE; Support: HEC, Provinces.
- **Strategic Education (ST: 1-2 years)**: Mandatory modules on India Studies, Lawfare, hybrid warfare, and counter-disinformation in staff/civil service academies. Replicate ISSI & NDU models. Lead: NSPP & MoFA; Support: MoD, HEC.

- **Legal Preparedness (Lawfare) (MT: 2-3 years)**: Establish International Law Directorate at JSHQ to identify vulnerabilities, prepare legal responses, and fortify national security policies. Lead: MoD, JSHQ; Support: ISPR, MoFA, MoL&J, MoIB, NIFTEC.

Integrate - Enhancing Regional Relevance

Our third pillar is to Integrate regionally & globally. We propose the strategy of 'Managing the East and Capitalizing on the West'.

Managed Engagement with India (ST: 0-6 months)

- **Goal**: Enforce strict reciprocity, focusing on Kashmir (IIOJK) and using back-channel communication for crisis management.
- **Lead**: MoFA, supported by NSD and MoD.

Strategic Western Focus

- **CPEC+ Connectivity (MT: 2-3 years)**: Offer Afghanistan and CARs access to CPEC, transitioning it into a multilateral project. MoFA/EAD in lead; MoC, BOI, MoS&T in support.
- **Energy & Trade Corridors (LT: 5-6 years)**: Prioritize projects like TAPI, CASA-1000, and the Pakistan-Uzbekistan Rail Link to boost regional trade. MoE & Railways in lead; MoFA, MoC, Provincial Governmets in support.
- **Security Cooperation (ST-MT: 1-4 years)**: Strengthen defense ties with Turkiye, CARs, and Gulf States, focusing on tech partnerships. MoD, JSHQ in lead; MoFA, SPD in support.
- **South Asia Cooperative Framework (SACF)**: Create a regional framework minus India, focusing on cooperation with Bangladesh, Nepal, and Sri Lanka.

Deter - Military Preparedness & Conflict Disincentivization:

The Pakistan-India 2025 conflict has established a dangerous new normal of limited war. Pakistan's military posture must evolve to credibly deter an aggressive Hindutva mindset, ensuring any aggression results in unacceptable costs for India.

Conventional Deterrence Modernization

- **Niche Capabilities (ST-MT: 1-4 years)**: Prioritize the induction of disruptive technologies: Counter UAS, Cyber/ Electronic Warfare platforms, drone swarms, long-range precision strike systems and hypersonic glide vehicle research to offset India's quantitative edge. MoD in lead; SPD, NESCOM, SUPARCO in support.

- **Integrated Joint Warfare (ST: 6-12 months planning; MT: 2-3 years execution)**: The Joint Staff Headquarters must mandate and validate tri-service response options through large-scale, annual exercises (in line with Exercise Azm-e-Nau). Break down single-service procurement and operational silos to optimize resources. JSHQ in lead; Services HQs, MoF in support.

- **Indigenization (LT: 5-10 years)**: Accelerate defense self-reliance by establishing clear "Indigenization Sectors" for the private sector with tax incentives and guaranteed offtakes. Focus on critical munitions, AI-enabled C4ISR systems and cyber defenses. MoDP in lead; MoF, MoS&T, BOI in support.

The Conflict Disincentivization Strategy (CDS)

Craft own response ensuring that Pakistan 'walks the talk' on COAS' stratcom;

> *"I advise and firmly caution India's military leadership that there is no space for war in a nuclearised environment. We will never be intimidated nor coerced by your rhetoric and shall respond decisively, beyond proportions, to even a minor provocation without any qualms. The onus of ensuing escalations - one that may ultimately bear catastrophic consequences for the entire region and beyond - will squarely lie with India".*
>
> **Field Marshal Asim Munir, 18 October 2025**

Pre-Conflict Deterrence (ST: 0-3 months)

Deterrence be maintained through credible stratcom to India through US, KSA, Russia, UAE and directly through NSA (to Indian counterpart). Clearly and vociferously define red lines. Communicate that any Indian attack on:

- **Civilian population centers** will be considered a war crime and met with severe retaliation several notches higher, targeting strategic economic specially those on eastern seaboard.

- **Military installations** will trigger massive counter-strikes against a range of high-value Indian military targets, including forward airfields, command centers and leadership assets.

- **Raising Nuclear Ante**

  (NSD/ NSA in lead; MoFA, MoD, ISPR in support)

Capability Demonstration (ST: 0-12 months)

Through expanding the test fires and training exercises of Army Rocket Force Command. MoD, JSHQ in lead; Services HQ, ISPR, MoIB in support

Intra-Conflict Deterrence

- **Doctrinal Clarity (ST: 0-2 months)**: Appropriate strategic response to compel de-escalation on Pakistan's terms. NCA, JSHQ, SPD in lead; Services HQ in support
- **War Termination (ST: 0-6 months)**: Plan political off-ramps, third-party crisis facilitation and sequenced de-escalation ladders in advance to avoid entrapment in extended limited war. NSD in lead; MoFA, MoD in support
- **Olympius Code (Counter-Diversion) (ST: 0-2 months)**: Name and neutralize diversionary gambits that externalize India's domestic crises; deny spectacle effects; keep international attention fixed on Kashmir-first legality and humanitarian risk. MoIB/ ISPR in lead; MoFA in support
- **China-Pakistan Security Coupling (MT-LT: 3-6 years)**: Signal that war on Pakistan risks confrontation with the China-Pakistan security compact (consultation clauses, defence co-production, cyber/EW collaboration). This can be achieved by formalizing a Permanent Security Consultative Mechanism with China, coordinated defense production and clearly communicated mutual strategic interests to signal that a war with Pakistan would entail unacceptable and unpredictable regional costs for India. PMO, MoFA, NSC in lead; MoD, SPD, MoI in support.

Conclusion

The ascendance of Hindutva as India's governing ideology is neither a transient political phase nor a correctable policy anomaly it is a century-long civilizational project that has now captured the commanding heights of the Indian state. The RSS-BJP nexus has systematically institutionalized a majoritarian ethno-religious nationalism that suppresses India's constitutional pluralism domestically while projecting civilizational revisionism externally. For Pakistan, this transformation is existential in character: it reframes the bilateral relationship from a territorial dispute to a civilizational conflict in which Pakistan's legitimacy as a state is fundamentally contested. The four paradigms employed in this study Radicalization, System Survival, Spoiler Management, and the Olympius Code collectively demonstrate that Hindutva is not merely a domestic Indian pathology but a structural determinant of regional security with long-term implications for South Asian stability. This article has argued, on the basis of primary interview and survey data and systematic engagement with the academic literature, that Hindutva's rise generates a multidimensional, structural threat to Pakistan across the full DIMEFIL spectrum. Pakistan's response must be correspondingly comprehensive: anchored in a whole-of-nation, Thwart-Fortify-Integrate-Deter framework that integrates deterrence, narrative sovereignty, economic resilience, and strategic connectivity. Ultimately, the test of Pakistan's strategic wisdom will be its capacity to simultaneously exploit Hindutva's internal contradictions while building the national resilience necessary to deter its most dangerous external manifestations.

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WATER MANAGEMENT - A NATIONAL SECURITY IMPERATIVE

Muhammad Usman Mirza, Sheraz Iqbal, Taimoor Mahmood, Muhammad Bilal Ijaz, Yasser Bin Ijaz, Muhammad Zafeel Butt, Mohsin Raza, Imran Irshad Ali, Hasan Faisal, Ayesha Ali, Moeed Ali

Abstract

Water security has emerged as a critical non-traditional national security challenge for Pakistan, driven less by absolute scarcity and more by governance failures, demographic pressures, inefficient agriculture, climate change, and upstream hydro-politics. Despite receiving approximately 210–220 MAF of annual water through rivers, rainfall and groundwater recharge, Pakistan struggles to store, regulate and distribute this resource effectively. The Indus Basin, which supports over 240 million people and irrigates more than 80% of agricultural land, remains central to the country's hydrological system. However, functional storage has declined to only 13-14 MAF due to sedimentation and neglect, creating a persistent seasonal imbalance, surplus flows in Kharif and shortages in Rabi increasingly compensated for through unsustainable groundwater extraction. Contrary to popular perception, Pakistan is not inherently a water-scarce country. Standard metrics often overlook critical factors such as seasonality, storage capacity and groundwater dynamics. The core issue lies in systemic mismanagement, reflected in poor infrastructure, low irrigation efficiency, water losses and weak regulatory frameworks. Internal pressures further aggravate the situation: fragmented governance, inter-provincial mistrust, outdated policies and lack of data transparency hinder effective planning. Rapid urbanization, pollution and over-extraction are degrading aquifers, while agriculture consuming over 90% of water but contributing less than a quarter of GDP, illustrates a highly inefficient water-economy balance driven by outdated practices and crop patterns. Climate change exacerbates these vulnerabilities through erratic monsoons, glacial melt, droughts and floods. Externally, expanding upstream infrastructure by India and developments in Afghanistan are creating a dual-front hydrological challenge. Increased storage and flow regulation, particularly on western rivers, could affect the timing and availability of water entering Pakistan, especially during already stressed periods. Global best practices highlight the need for integrated governance, digital monitoring, aquifer management, decentralized storage and water recycling areas where Pakistan has initiated reforms but lacks full institutionalization.

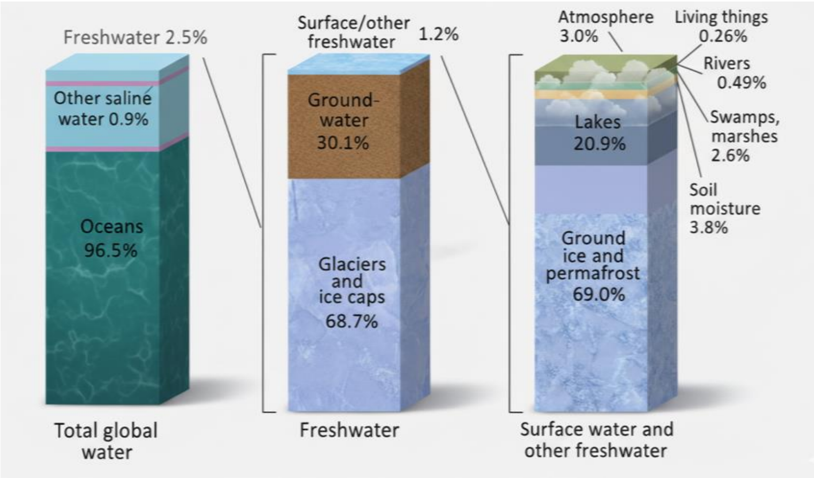
Keywords: Water Security, Indus Basin, Hydro Politics, Climate Change, Integrated Water Resources Management, Aquifer Management, Natural Security.

"And Allah has created every living being from water"
(Surah An-Nur, 24:45)

Introduction

Water is not merely a resource, but the foundation of life, the sustainer of civilizations, the anchor of stability and an important determinant of national security. In spread, water is 71% of the Earth's surface, while in quantity it is **0.02%** of earth's total land mass.[1] Scientifically, water can neither be created nor destroyed; its total equity remains fixed.[2] 97% of all water is saline, only 2.5% is fresh,[3] of which 1% is accessible and entire human population of 8.2 billion depends on this 1%.

Figure 1: Earth's Water Mapping



Indus Basin is world's 10th largest river system, sustains the world's largest contiguous irrigation network and holds over 60,000 MW of hydropower potential. In aggregate, Pakistan has annual water availability of approximately 220 MAF (surface water, groundwater recharge and rainfall combined). This endowment gives Pakistan an opportunity to remain food-secure, energy-secure and geo-strategically stable. However, abundance without management does not guarantee security. Unfortunately, despite being central to human security, we are unable to harness the blessing and the country is perceived as water stressed. The study highlights three fundamental issues which repeatedly influence the national dialogue:

- **Is Pakistan Water Stressed?** The study will analyse the challenge of summer surpluses and winter shortages.
- **Can India Stop Pakistan's Water?** The study will assess the challenge of India's ability to manipulate timings and flow.
- **Where lies the Problem?** The study will examine aspects of mis-management; aggravated of population growth, climate change,

transboundary contentions, shrinking fiscal space and socio-political pressures, which may evolve water from a managerial challenge into a national security concern.

Scope

To address these issues holistically, the study has been structured in five parts. First, all available water will be mapped. It will be analysed against internal and external factors. Thereafter, best practices from around the world will be assessed, systematically leading to way forward for Pakistan.

The study has consulted a wide range of classified and non-classified references, including literature from Pakistan, the region and the globe. Valuable input from a wide spectrum of experts, government officials, diplomats, legal experts and practitioners was also obtained. Their collective wisdom converges on a single reality: Pakistan's water future, does not depend on *'how much water we receive'*, but on *'how efficiently we manage it'*.

Situating the Water

Overview - Pakistan's Water Mapping

Pakistan's diverse geography, spanning the Indus Basin Zone, Makran Coastal Zone and Kharan Zone, gives it abundant surface water resources. The Indus River System (IRS) is a network of seven major rivers: Indus, Jhelum, Chenab, Ravi, Sutlej and Kabul. Together, they supply about 138-140 MAF of surface water annually. Supplementary inputs include 48-53 MAF of groundwater recharge and 25-30 MAF from direct rainfall, giving a gross availability of 210-220 MAF per year, subject to monsoonal and climatic variation.[4]

The Indus Water Basin

The Indus Basin stands as one of the world's most significant river systems, covering a vast catchment of 1.12 million km^2. This drainage area is distributed among Pakistan (47%), India (39%), China (8%) and Afghanistan (6%). It forms the backbone of Pakistan's water economy - supporting over 240 million people, irrigating its prime agricultural lands and sustaining critical ecosystems.[5] The average annual runoff of Indus river system is estimated at 142 MAF. The flows are at their maximum in the four months of summer season i.e. 82 % water is available from June-September and only 18 % water is available from October-May.[6]

Western Rivers (Indus, Jhelum, Chenab) contribute around 137 MAF annually (Indus 88 - 90 MAF, Jhelum 24 - 25 MAF, Chenab 23 - 25 MAF).[7] These are the principal water sources for Pakistan's agriculture and economy. Secondary tributaries such as

Kabul, Swat, Haro and Soan rivers add nearly 18% of Indus flow downstream of Tarbela, further enriching the system. Three Eastern Rivers historically carried about 33 MAF water annually. Post Indus Water Treaty, contribution of Eastern Rivers to Pakistan's flows has reduced to merely 1-2 MAF.[8]

Table 1: The Indus River Basin

Basin		**Volume in MAF**
Indus Basin		
External	• Indus (including Kabul River), Jhelum, Chenab	137.5
	• Ravi, Beas, Sutlej (eastern rivers allocated to India)	2.43
Internal	• Surface runoff	25.94
	• Groundwater	50
Indus Basin Total		215.87
	Kharan Desert	
	• Surface runoff	4.46
	• Groundwater rainfall recharge	0.57
Kharan Desert Total		5.03
	Makran Coast	
	• Surface runoff	2.35
	• Groundwater rainfall recharge	0.49
Makran Coast Total		2.84
Grand Total		**≈ 220**

Water Sources

Pakistan's water sources include precipitation (Rain / Snow), surface water, sub-surface / aquifers and sea water.

Snow / Glacier Melt

The western rivers heavily depend on Himalayan glaciers and snow, which provide about 65 - 75% of the downstream surface water, making Pakistan highly reliant on glacial flows.[9] Glaciers, located in the northern mountainous regions (16,933 Km^2), serve as crucial water towers, feeding the Indus River system throughout the year.[10] Indus River is mainly sourced from glaciers inside Pakistan whereas Jhelum and Chenab Rivers are dependent on the glaciers in IIOJK / India. The recorded magnitude of yearly rainfall in Pakistan is about 270-280 mm[11] (34-36 MAF). Rain contributes about 25-35% of the Indus Basin System. Rainfall in Pakistan is highly variable, with the majority concentrated in the monsoon season (July-September). This rainfall pattern often leads to floods and droughts, further stressing water availability. Pakistan is unable to store any meaningful portion of the monsoon system, as most monsoon concentration areas lie below Tarbela Dam.[12] Pakistan is bestowed with rich sea water resources. However, Pakistan only uses 8-10 million gallons / day of sea water through desalination plants in coastal urban centres.[13]

Ground Water

According to World Bank, the renewable groundwater reservoir (aquifer) of the Indus Basin is 50 MAF (61 BCM), out of which 35.7 MAF (41 BCM) is recycled from canal seepage and return flows from fields, while the remainder is recharged by rain.[14] Underground water fulfils 50% agriculture demand and 70% domestic needs of the country. However, Pakistan faces severe groundwater management challenges, including over-extraction, declining water tables, salinity, waterlogging, pollution of shallow aquifers and weak governance.

Untapped Potential - Riverine Aquifer

Pakistan also possesses a significant yet underutilized water reserve in the form of riverine aquifers. According to the detailed survey conducted by ZiZAK-Hydrosimulatics JV,[15] these aquifers hold over 380 MAF of extractable freshwater, equivalent to more than 1,300 days of national storage. This strategic resource warrants further investigation through targeted pilot projects to validate its potential and integrate it into Pakistan's long-term water security planning.

Water Storage & Conveyance

Gross Storage Capacity

Since 1947, Pakistan has constructed only two major dams, while the total number of dams stands at 1,193; including 391 large dams (15 m height and above).[16] In contrast, India has built 5,334 large dams, along with thousands of small check dams (the Jharkhand region alone has over 17,000 small dams in the catchment areas of the Damodar River).[17] Pakistan's total water storage capacity is about 30 days of flow, compared to 170 days in India, 700 days in Egypt, and 900 days in the USA.[18]

Major Reservoirs

Three major reservoirs - Tarbela Dam, Mangla Dam, and Chashma Barrage - have a combined water storage capacity of about 10% of annual river flows, which is far less than the world average of **40%**.[19] Average discharge from Kotri Barrage is 20-28 MAF against a minimum ecological requirement of 8-10 MAF,[20] indicating wastage of a precious water resource. Pakistan has no storage on Chenab River (average flow 23-25 MAF). Moreover, no dam in Pakistan is able to store water from monsoon catchment areas. Details of existing storages are as under:

Table 2: The Indus River Basin

Project	River	Year Built	Live Storage (Original)	Live Storage (Current)
Tarbela	Indus	1974	9.692 MAF	5.728 MAF
Mangla	Jhelum	1967	8.237 MAF	7.227 MAF
Chashma	Indus	1971	0.717 MAF	0.311 MAF
Total Storage			**18.646 MAF**	**13.316 MAF**

Depleting Storage Capacity of Existing Dams

The existing capacity of reservoirs is decreasing rapidly because of sedimentation with an annual loss rate of **0.5 to 1% of storage (0.1 - 0.2 MAF)**. Deposition of sediment has decreased the storage capacity of Tarbela Dam by 40.58%. Storage capacity is expected to further decrease by **2.3 MAF** (24%) by 2035.[21] The storage capacity of Chashma Barrage has decreased to **60%** of the total storage capacity.[22]

Under Construction Water Storages

Diamer Basha Dam

With gross capacity of 8.1 MAF and live storage capacity of 6.4 MAF, dam is expected to be completed by 2030. However, construction is being delayed due to financial issues (cost increased from initial PC-1 of 479 Bn PKR to over 1.4 trillion PKR as per latest estimates).[23] Mohmand Dam is being constructed at Swat River, with gross capacity of 1.219 MAF and live capacity of 0.67 MAF, is expected to be completed by 2027. The cost of dam is around 310 Bn PKR.[24] After construction of these new storages, additional storage of approximately 7.1 MAF in 5 - 6 years, will compensate for sedimentation of existing storages. However, net addition in storage will be about 5 MAF.

Water Conveyance Infrastructure

Indus Basin Irrigation System (IBIS) comprises of 19 x barrages, 12 x link canals, 43 x irrigation canals and 120,000 water courses. Total length of canals is 56,360 Kms.[25] Though Indus Basin Irrigation system is one of the largest, it is also among the most in-efficient. Out of 104 MAF diverted from the rivers for the agriculture almost, 50-60% of the losses occur during conveyance and application. Canal seepage also brings about salinity and water logging.

Overview of Water Consumption

Sector-wise, national water consumption is distributed as follows: 92% for agriculture, 6% for domestic use, and 2% for industrial purposes.[26]

Agriculture

Water from the Indus Basin is the crucial enabler of agriculture sector of Pakistan, which contributes over 23.5% of GDP and sustains more than 37 % of its labour force.[27] Although still significant, agriculture's share of GDP has declined from about 43% in the 1960s to approximately 23-24% in 2024.[28] Out of Pakistan's total 196.6 million acres, about 143.9 million acres are cultivable, while only 57.6 million acres are actually cultivated. IBIS accounts for 80% of the irrigated area (42.5 million acres), with the remainder being rain-fed. These irrigated lands contribute nearly 90% of agricultural and livestock production. Between 1960 and 1980, irrigated area increased by 43%. However, 35-40% of cultivable land remains uncultivated due to water mismanagement, salinity and declining soil fertility. The total farm-gate water availability in Pakistan is approximately 114 MAF per year, combining 64 MAF of surface water and 50 MAF of groundwater. Agriculture accounts for nearly 94% of total water withdrawals, yet overall irrigation efficiency remains below 40%, causing substantial losses.[29] Within the agriculture sector, wheat, rice, sugarcane and cotton dominate, together contributing over 80% of the value of major crop output and consuming roughly 80-85% of total irrigation water. This heavy reliance on a few water-intensive crops, coupled with inefficient irrigation practices, has created a persistent annual water deficit of 10-15 MAF in lean months, increasingly met through unsustainable groundwater extraction.[30]

Perception vs Reality - Anchored in Falkenmark Index

As per the Falkenmark Index, Pakistan is currently water-scarce and is projected to enter absolute water scarcity by 2050. However, deeper analysis reveals the following realities:

Surface water availability in Pakistan has remained broadly stable at 150-160 MAF over the years. The Falkenmark Index is overly simplistic, being anchored primarily in population numbers. For instance, it classifies Israel as water-scarce despite Israel being water-secure. Similarly, it shows Balochistan as more water-abundant per capita than Punjab, which is misleading.

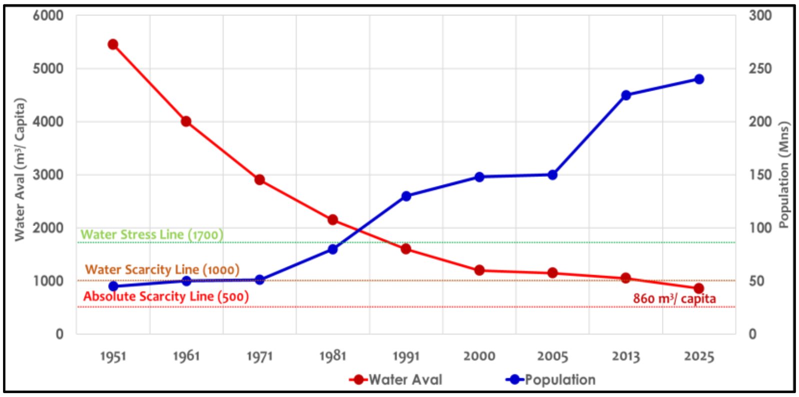
Table 3: Water Availability Over the Years

Year	Per Capita Availability (m^3/person/year)	Population (million)	Total Surface Water availability (MAF)	Notes
1951	5,260	34	**145 MAF**	Stable pre-IWT inflows
1960	5,400	45	**145-150 MAF**	No major change post-IWT until mid-1960s
1967	3,950	55	**150-155 MAF**	Mangla begins operation (1967)
1971	3,000	65	**158 MAF**	Higher Kabul contribution
1976	2,700	75	**155 MAF**	Matches WAPDA (System Inflows 1976
1981	2,300	85	**147 MAF**	Aligned with WAPDA 1976-81 mean
1991	1,700	110	**176 MAF**	WAPDA early 1990s average
2000	1,350	140	**132 MAF**	WAPDA 2000 inflow
2005	1,150	150	**145 MAF**	WAPDA
2013	1,000	180	**147 MAF**	WAPDA (2010-15 mean)
2025	850	**241**	**165 MAF**	WAPDA - 129 MAF

The benchmark of 1,000 cubic meters per person per year is also contested, as United Nations estimates place basic per-capita water needs at only 36.5 cubic meters annually,[31] while actual water use for agriculture, industry, and domestic consumption varies widely from country to country. Another issue in the Falkenmark Index is inconsistency in what water is counted. As per WAPDA estimates, Pakistan's available water is around 140 MAF (excluding groundwater), whereas World Bank[32] and other independent sources[33] place it closer to 220 MAF. Using this figure, Pakistan's per-capita value becomes 1,130 m^3, well above the water-scarcity line.

In 2016, a study by PCRWR[34] warned that Pakistan would face drought-like, absolute scarcity by 2025; yet, contrary to this projection, the country has recorded a significant increase in national precipitation over the past two years; receiving 65% more rainfall in monsoon season compared to 30 years average.[35]

Figure 2: Perceptions Anchored in Falkenmark Index



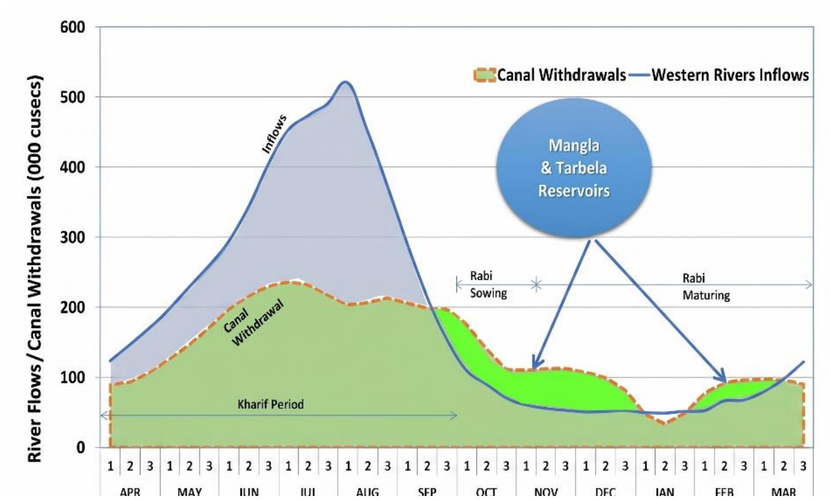
Actual Issue

However, beyond these perceptions, several structural challenges remain and must be examined objectively. To identify appropriate solutions, it is essential to analyse how Pakistan's water requirements align with its actual availability across the annual cycle.

Water Requirement vs Availability (Gaps)

Over the past 50 years, Pakistan's average water availability during the Kharif season has remained around 110 MAF against provincial requirements of 77 MAF, resulting in an estimated surplus of approximately 20 MAF after accounting for ideal storage availability of 13 MAF. In contrast, during the Rabi season, average water availability declines significantly to about 24 MAF while provincial requirements increase to nearly 37 MAF, creating an annual shortfall of around 13 MAF. This seasonal deficit is primarily managed through water storage in dams and extensive groundwater extraction, highlighting Pakistan's continued dependence on reservoir capacity and underground water resources to bridge the gap between surface water availability and national agricultural demand.

Figure 3: Kharif vs Rabi Flows



Hence, the actual problem lies in the seasonal water flow: Pakistan is water sufficient during Kharif (March to September) and water scarce during Rabi (October to February). Therefore, actual challenge is how to manage summers and compensate winters.

Key Takeaways

Analysis of Pakistan's water sector indicates that the country possesses sufficient aggregate water resources of nearly 220 MAF; however, its major limitation lies in inadequate storage capacity, which is currently limited to only 13.4 MAF; equivalent to around 30 days of river flow' and is steadily declining due to sedimentation at an estimated rate of 1% annually. Agriculture consumes more than 90% of available water despite contributing a relatively modest share to GDP, while also experiencing substantial conveyance and application losses of nearly 40–50%. At the same time, significant untapped groundwater reserves, particularly within the riverine aquifers of the Indus, Jhelum, and Chenab systems, offer considerable potential for future water security if systematically mapped and utilized. Overall, Pakistan's primary water challenge is not absolute scarcity but a seasonal imbalance, characterized by an approximate 20 MAF surplus during Kharif and a 13 MAF deficit during Rabi.

Socio-Political Factors and Climatic Change

Despite sufficient water availability, systemic shortages persist due to water management challenges. Water management issues are framed through the Strategic Trinity of Water: Governance, People and Land. The Governance - People equation highlights how institutions, policies and provincial coordination impact water management. The People - Land equation examines how population growth, urbanization and social behavior drive water demand.[36] Finally, the Land - Governance equation looks at agriculture, cropping patterns, irrigation systems and climate dynamics shaping the water - economy relationship.[37]

Governance - Water Equation

Governance - Water Equation, which forms the Political domain, has two major issues: Inter Provincial Consensus and Weak Institutional Framework.

Interpretation of the Water Apportionment Accord 1991

Inter-provincial consensus on water distribution is hindered by two key divergences: Sindh claims water allocation based on historical use (Article 2A), while Punjab advocates proportional distribution (Article 14B). These disagreements, particularly during low-flow conditions, have caused political deadlock, despite IRSA's attempt to resolve the issue through a three-tiered formula.[38]

Absence of Credible Data

The lack of credible hydrological data through the telemetry system, installed since 2000, fuels mistrust between provinces. Water-flow data and allocations are often neither updated nor independently audited, leading to disputes over actual water discharge between upper and lower riparian.[39]

Consensus among Provinces

This aspect has historically stalled infrastructure expansion, as downstream provinces remain sceptical of reduced flows or environmental damage without fair water assurance.

Weak Institutional Framework

Overlapping responsibilities among multiple agencies and departments in water regulation, irrigation, flood control and resource management cause inefficiency and lack of accountability. Notably, drinking water distribution to urban centres is managed by the Ministry of Climate Change instead of the Ministry of Water Resources.

Weak inter-ministerial coordination at the federal and provincial levels hampers harmonization of water governance, climate policy, agriculture, and provincial water needs. The National Water Policy 2018, sponsored by MoWR and agreed through the CCI and federal ministries, is still under an implementation framework. The National Water Council was mandated to oversee its execution but has convened only once since its inception in 2018. Lack of uniform enforcement powers, overlapping jurisdictions, outdated colonial-era laws, and absence of incentives for conservation, efficient use, or groundwater recharge have created severe challenges for the government in managing water sustainability and reducing waste.

People - Land Equation

Pakistan's rapid population growth (2.55%) outpaces water infrastructure development, increasing demand for water, food and energy while shrinking per-capita water availability and arable land, particularly in urban centres.[40] Pakistan's agricultural sector employs 37.5% of adults but suffers from inefficiencies in agronomy, seed quality and water management, with heavy reliance on livestock (62% of output). Inefficient water use for crops contributes to rural poverty and persistent challenges in water and food security.[41]

Urbanization Challenge

Pollution from sewage, industrial effluents and solid waste severely impacts water quality, causing 30% of diseases and 40% of deaths. With rapid urban growth (expected to reach 160 million people, or 52.2%, by 2050) and 43% of the population lacking safe drinking water, Pakistan faces rising water demand and limited wastewater recycling (only 8%), exacerbating public health challenges.[42]

Water Economy Connotation

Agriculture's overwhelming dependence on water has a direct bearing on Pakistan's agricultural economy, which is responsible for food security, rural livelihoods and key export earnings. Agricultural land that generates economic dividends is not being utilized to its maximum potential. Only 52 out of 70 million acres (MA) of land are irrigated, while an additional 18 MA still present an opportunity given water availability. This arid land contributes only 23-24% to national GDP, presenting a stark imbalance between water consumption and economic output.[43] In Pakistan's feudal agricultural system, 71.5% of the cropped area is dominated by small, fragmented farms (<12.5 acres), yielding diminishing returns and perpetuating rural poverty due to severe production constraints. Agricultural growth has remained stagnant over the last 25 years at an average rate of 2.63%, failing to keep pace with population growth, with real agricultural GDP per capita barely increasing.[44]

Climate Impact

Pakistan contributes less than one percent of global greenhouse-gas emissions, yet it remains among the most affected countries on the Germanwatch Climate Risk Index. The climate impact on Pakistan is both severe and disproportionate, consistently placing the country in the highest-risk categories.[45] Three major interacting climate effects are impacting water security: first, shifting monsoon patterns; second, intensifying heatwaves causing droughts; and third, rapid glacier retreat leading to GLOFs. Monsoons in Pakistan are shifting westward, producing super floods. The 2022 floods resulted in 1,700 deaths, displaced 33 million people and caused economic losses of approximately USD 30 billion. In 2025, floods again caused 1,035 fatalities, displaced 4 million people and inflicted USD 2.9 billion in damages. Pakistan is also warming faster than global averages; by 2100, temperatures are projected to rise by 5.3°C, compared to a global average of 3.7°C.[46]

Pakistan is endowed with approximately 7,000 glaciers, which are melting at an accelerated rate. Their meltwater has formed 3,044 glacial lakes, 33 of which are considered hazardous, with the potential to impact up to 7 million people.[47] In a nutshell, climate shifts are producing a drought-monsoon whiplash effect. Heatwaves now arrive earlier, last longer, and strike with greater intensity. Rising temperatures have increased evaporation rates by 10-15%, reducing canal efficiency and worsening water scarcity. Monsoons have become increasingly erratic due to El Niño and La Niña volatility, leading to heightened disaster risks, including riverine and urban flooding, water shortages and soaring energy consumption.[48] These developments are also increasing sediment loads in rivers, filling reservoirs, damaging hydropower turbines and elevating riverbeds downstream, all of which compound water insecurity. Undoubtedly, the impact of climate change on Pakistan's water systems is profound, interconnected and accelerating, shaping the country's economic, social and environmental future.[49]

Key Takeaways

The key findings indicate that Pakistan's water insecurity is primarily an internal governance and management issue rather than a consequence of absolute hydrological scarcity. Water demand is increasing at a pace that exceeds the state's capacity to efficiently supply, regulate, and manage resources, while the agricultural sector continues to maintain an economically inefficient and unsustainable water footprint. Weak institutional coordination, policy shortcomings, and governance failures further exacerbate existing structural weaknesses within the water system. Collectively, these internal vulnerabilities not only intensify domestic water stress but also increase Pakistan's strategic exposure to external pressures and regional water-related challenges.

Transboundary Water Contentions

Transboundary Actors

Pakistan's transboundary water contentions are shaped by two actors: India and Afghanistan. While, on one hand, India undertakes non-traditional threat application against Pakistan (through intensified hybrid means, pressing to renegotiate the IWT and exploiting its upstream advantage), Afghanistan, on the other hand, seeks to use water as a lever against Pakistan (endeavoring to extract regime legitimacy through friction with neighbours). This convergence ties both actors together in a form of hydro-collusivity, wherein India provides financial and technical support to multiple Afghan hydro-projects, ultimately leading to the possibility of dual-front hydro-coercion against Pakistan. Pakistan, on the other hand, desires to engage with both countries through treaty-based frameworks. This contradiction leads to persistent transboundary contention with neighbouring states. Transboundary Water Landscape. Pakistan's transboundary water landscape is a function of seven rivers: six in the East and one in the West. In the East, six rivers enter from India under the IWT, while in the West, the Kabul River enters from Afghanistan without any treaty framework.[50] Approximately 53% of the length of these seven rivers lies within Indian- and Afghan-controlled territory, forcing Pakistan into a position of downstream dependence.[51]

India

Eastern Rivers

India has benefited immensely since 1960, when Pakistan relinquished its rights over three Eastern Rivers under the spirit of the IWT. This arrangement permitted India to build reservoirs on the Sutlej, Beas and Ravi, resulting in a decline of flows in these Eastern Rivers from 33 MAF (1960) to a negligible 1 MAF (2025).[52] Beyond water diversion, this has granted India the capability to induce flow fluctuations and artificial flooding.

Western Rivers

On the Western Rivers allocated to Pakistan under the IWT, India was permitted 3.6 MAF for non-consumptive uses. Although India currently remains within this permitted volume and has constructed only 0.61 MAF of storage through 52 dams[53], it has embarked on a construction spree, aiming to reach 210 dams by 2035, which would significantly alter downstream flow regulation.[54]

Chenab River Vulnerability

While the Indus and Jhelum Rivers do not offer meaningful potential for flow regulation, the Chenab River emerges as the primary vulnerability for Pakistan. With existing structures, India can regulate Chenab flows for up to 8 days. With planned structures by 2035, this regulatory capability is projected to increase to 21 days[55], significantly enhancing India's ability to modulate timing, sequencing and intra-seasonal flows.

Indian Water Behaviour with Neighbours

Beyond Pakistan, India's hydro-political behaviour toward neighbouring states reflects a broader pattern of pursuing upstream strategic advantage and downstream influence across regional river basins. In relation to China, India has adopted a defensive posture against Beijing's proposed 60 GW Medog mega-dam on the Brahmaputra by advancing its own 22 GW hydropower projects in the region. With Bangladesh, India exercises significant influence over seasonal Ganges flows through the Farakka Barrage, at times regulating up to 50% of dry-season discharge, estimated around 40,000 cusecs. In the case of Nepal, India's cautious approach toward the long-delayed 5.35 MAF Pancheshwar Dam project reflects a preference to avoid the emergence of large upstream storage infrastructure beyond its full strategic influence. Collectively, these cases suggest a consistent Indian approach aimed at maximizing hydro-strategic leverage across neighbouring river systems.

Afghanistan - Kabul River

On the Kabul River, Afghanistan has thus far completed three major projects with a relatively limited regulatory impact of approximately 3%; however, the construction of an additional ten planned projects could raise the cumulative flow regulation impact to nearly 40%. These developments include India's investment of around US $300 million in the Shahtoot Dam, alongside Indian financing, design assistance, and feasibility support for several other projects. When viewed alongside India's posture on the Western Rivers, this evolving situation contributes to a potential dual-front hydrological pressure scenario that may heighten Pakistan's water security vulnerabilities. Afghanistan's increasingly assertive upper-riparian behaviour is also evident in its dealings with other neighbours through projects such as the Qosh Tepa Canal on the Amu Darya and the Kamal Khan Dam on the Helmand River, both of which carry implications for downstream states including Uzbekistan, Turkmenistan, and Iran. Collectively, these developments suggest that both Afghanistan and India are leveraging their upper-riparian positions in ways that can generate significant downstream strategic pressure on neighbouring lower-riparian states.

Key Takeaways

The key takeaways from transboundary contentions include: Weaponization of water by India as state policy represents a grave threat to regional peace and stability.

Afghanistan, with Indian involvement, presents potential to emerge as a key enabler of dual-front hydro-coercion against Pakistan. Pakistan's immediate vulnerability is not from net Indian storage, but from coercion exercised through manipulation of flow timings and volumes. India's and Afghanistan's water hegemony against Pakistan and other neighbours warrants response at multilateral regional forums.

Best Contemporary Practices

The Framework for Consideration

With Pakistan's water challenges defined, attention must now turn to assessing which globally successful water-management frameworks are most compatible with Pakistan's hydrological and institutional architecture. Frameworks were considered based on their replicability (cost effects and doability). For Pakistan's challenge of *Storage Capacity & Round the Year water availability*, 2 x best practices are highlighted in study.

Horizontal Collector Wells

These are sub-surface water extraction systems built beneath riverbeds, with round the year extraction capacity of upto 50 times more than standard tube wells. Resultantly, they reduce dependence on single large reservoirs at 1/5th the cost (2-5 Mn per HCW).[56] This makes them globally successful and relevant to Pakistan's context.[57]

Inflatable Rubber Dams

These cost-effective inflatable dams, built across small channels, are also globally successful for storage during dry months and deflating during floods.[58] Their decentralized adaptation concept affords flexibility. A pilot project, conceived in Punjab in 2017, was not explored further.[59] For addressing Pakistan's Inter-provincial water contentions, "Yangtze Basin Governance" model provides a holistic solution.[60] 2 x subsets of the model are highlighted below. The *"Yangtze-river Basin Commission"*, is a centralized authority in the river basin, with legal mandate over entire basin (unified allocations & storage, centralized data collection and flood control mechanisms).[61] The *"Smart Yangtze River Project"* is a digital simulation of these basin wide functions, with up to 95% accurate forecasting - data contingent. It is replicable in Pakistan due to low cost (10 million USD) and a very high return on investment, considering recurring losses incurred to unforeseen floods.[62] River Basin software modelling is not futuristic, it is already in the past. Even India is deploying it on Brahmaputra and Ganges.

For addressing *urban water stress*, *Water Sensitive Urban Design* warrants adoption. In this, the city manages water as a circulatory system of reuse and absorption. It entails decentralized, modular and diversified solutions to water wastage and depleting urban aquifers. The Govt facilitates the process (through designing, metering etc), and the communities manage.[63]

Key Takeaways

The key takeaways for Pakistan from scan of global best practices are: Pakistan's water challenges are not unique; nations have overcome these through adaptive solutions. Pakistan can also learn and apply to our benefit, from global best practices. Pakistan's financial constraints do not preclude action. Low-cost solutions exist; which are within our reach and capability. These can be adapted to reduce water stress. Water Storage gaps can be addressed by adopting modular, low-risk solutions that strengthen water resilience. The challenge in Indus Basin is fragmentation. The solution lies in centralized control & decentralized execution. Smart hydrology is a strategic asset. Pakistan has traditionally lagged in this domain and increasing stress now demands accelerated adoption.

Recommendations Framework

Analysis of Pakistan's water challenges, encompassing interplay of internal and external factors, reveals key gaps to be addressed across *interprovincial differences, low strategic storage, conveyance losses, transboundary water coercion* and *rising water needs.* Based on gaps identified, a *quintuple* framework has been proposed, linking Pakistan's challenges with policy interventions backed by effective awareness campaign.

Consequent to this framework, recommendations have been worked out in 3 x subsets. The quintessentials, warranting immediate policy decision; the prospective aspects warranting long term security; and lastly parallel conservation / governance measures.

The Essentials

The essentials address 3 x major issues; how to achieve political consensus, how to offset Indian coercion on River Chenab and explore potential of riverine aquifer as an untapped resource.

Balochistan Telemetry

To achieve political consensus, first suggested measure is to address concerns of Balochistan by relocating 2 x telemetry sites on Pat Feeder and Kirthar Canal. A national level effort is already underway during which 27 x telemetry stations are being installed. Balochistan's concerns that the 2 x telemetry stations are currently 5-10 km inside Sindh is recommended to be settled by relocating them to inter provincial boundary.

NaWaDA (National Water Data Archive)

In addition, to ensure data transparency, establishment of "NaWaDA - *National Water Data Archive*" is recommended at IRSA by integrating data of IRSA & WAPDA telemetries on a single platform, to ensure real time river & canal monitoring, and enabling resolution of inter provincial differences.

Sindh Barrage

To address concerns of Sindh regarding Delta erosion and sea intrusion, construction of Sindh Barrage near Thatha, costing Rs 180 billion, is recommended. Feasibility has already been conducted; it will ensure sustained flow of 5000 cusecs round the year to offset sea intrusion while also enabling irrigation of 100,000 acre land through 2 x canals.

Canal & Wazirabad Dam

To offset Indian water coercion and flow variations at Chenab, study recommends construction of 2 x types of infrastructure:

First, construct Mangla - Marala Link Canal, costing 280 Mn USD by 2028. Second, construct storage capacity on Chenab through cascade of storages, with priority construction of Wazirabad Dam by 2030, having capacity of 1 MAF and costing 700 Mn USD.

Exploiting Riverine Aquifers Through Horizontal Collector Wells

Parallel to surface dams of 13 MAF, Pakistan is also blessed with proven sub surface reservoirs of 144 MAF. To tap into this huge riverine aquifer, study recommends launching '*Pilot Project*' of Horizontal Collector Well at 2 x sites for Drinking and Irrigation Purpose. For drinking purpose; Horizontal Collector Well at Khanbela, sufficient for 2 Million population, costing 200 Mn USD, providing water to community at Rs 1 per Litre. For irrigation purpose; Horizontal Collection Well at Lal Suhanra with 150 cusec capacity, costing 600 Mn USD, linked to green Pakistan initiative, sufficient to irrigate 100,000 acres of corporate farming in Cholistan. Being public-private model, it will not cost Government any exchequer and based on its success, project may be expanded to other regions as well.

Prospective/ Long Term Water Security

The prospective aspects which impact long term water security of Pakistan focus on 3 x major issues: how to sustain political consensus, how to manage IWT abeyance & Kabul River vulnerability and how to enhance strategic storages as per future needs.

Revision 1991 Accord

To sustain political consensus and address long term differences over water distribution formulas arising from para 2 *(114 historic vs projected use - Sind)*, para 14(b)

(102 shortage sharing - favour Pb) and three-tier formula, it is recommended, that after commissioning of Diamer Bhasha Dam and stabilization of telemetry network, 1991 Accord be revisited. Remove ambiguous clauses and harmonize single formula framework which remains applicable alike during surplus and shortage periods.

Transboundary Contentions

IWT

To manage Indian IWT abeyance, avenues exist in diplomatic domain to gain legal ascendency. Two-tiered approach is recommended. First, focus on lawfare within confines of IWT dispute resolution mechanism and keep the issue alive and simmering at international level. Secondly, as last resort, explore option of obtaining 'Advisory Opinion' from International Court of Justice through United Nations General Assembly.

In parallel, Pakistan should strive to evolve a regional water cooperation framework, involving China, Bangladesh and other affected countries in the region (Uzbekistan, Turkmenistan and Iran).

Kabul River

Against Afghanistan, keep the stance firm, wait and watch and calibrate response accordingly. Diplomatically, utilize Chitral River & trade as reciprocal leverages, while proposing formation of Indus Kabul River Commission, guaranteeing sustained flow to Pakistan. In case of non-agreement, conduct feasibility to divert Chitral river into Swat River. However, undertake construction only if Kabul reduces outflow to Pakistan by 3 - 4 MAF.

Master Plan - Strategic Storages

Study suggests construction of 13 x storage projects with a total capacity of 30 MAF and 9,000 MW power generation in 3 x phases till 2050 (9,130 MW energy). The plan aims to minimize flooding during Kharif and manage flows during Rabi. In Phase 1, prioritizes construction of Mohmand and Diamer Basha while Wazirabad Dam and Sindh Barrage are proposed to be completed by 2030 (9.8 MAF & 5,380 MW energy). In Phase 2, by 2040, construct 5 Dams (4 x medium & 1 x large)

Kurram Tangi (Stage-II), Chiniot, Dudhnial, Midh Ranjha and Akhori Dams, adding 10.21 MAF storage and 1805 MW energy. In Phase 3, by 2050, construct 4 Dams (2 x medium & 2 x large) Shah Jeewna, Dhok Abaki, Shyok and Skardu Dams for an additional 10.4 MAF storage and 1945 MW energy. By 2050, total live storage capacity will reach 44 MAF (3 x times the current storage capacity).

Table 4: 13 x Dams - Master Plan

Phases	Projects	Completion Year	Storage Live (MAF)	Storage Cumulative (MAF)	Capacity (MW)
	Existing Storages	**2025**	**13.65**	**13.65**	
Phase 1 (2025-2030)	Mohmand Dam	2028	0.67	14.32	800
	Diamer Basha	**2030**	**6.4**	20.72	4,500
	Wazirabad	2030	0.9	21.65	90
	Sindh Barrage	2030	1.8	23.45	-
	TOTAL		**9.80**		**5,380**
Phase 2 (2031-2040)	Kurram Tangi (Stage-II)	2034	1.11	24.56	75.4
	Chiniot	2034	0.93	25.46	80
	Mid Ranjha	2035	1.2	26.66	80
	Dudhnial	2040	1.0	27.66	960
	Akhori	**2040**	**6.0**	33.66	600
	TOTAL		**10.21**		**1805.4**
Phase 3 (2041-2050)	Shah Jiwana	2045	1.2	34.86	80
	Dhok Abaki	2045	1.0	35.86	25
	Skardu	**2050**	**3.2**	39.06	1,200
	Shyok	**2050**	**5.0**	44.06	640
	TOTAL		**10.4**		**1945**

Establish Indus Basin Digital Twin (as done at Yangtze River China)

A unified modular decision platform that runs simulation-based forecasting, planning scenarios and day to day operations across hydrology, climate, infrastructure and ground water. Implementation will follow a ST–MT timeline, led jointly by WAPDA and IRSA, with coordinated support from Provincial Governments, SUPARCO, and PCRWR to ensure transparent, technology-enabled, and provincially accessible telemetry operations.

Conservation and Governance Measures

To manage water through better conservation and governance, study has identified 8 x areas of improvement. Conservation measures encompass High Efficiency

Irrigation System (HEIS), changing crop patterns, rainwater harvesting and lining of canals & courses. Study identifies HEIS central to conservation measure through which 10-15 MAF can be saved by replacing traditional flood irrigation with precision measures including laser levelling, bed & furrow technique, drip, sprinkler & centre pivot watering technique, so as to achieve more crop per drop. Moreover, study recommends to implement a national crop efficiency programme, so as to save upto 30% water from existing practices. Shift rice growing practice to System of Rice Intensification (SRI), increasing productivity. Encourage farmers to shift from sugarcane to sugar beet. Curb seed mafia to promote water-efficient and high yield varieties through NARC. Prioritize lining in saline groundwater zones (Southern Punjab/ Sindh). In freshwater zones, implement partial lining based on hydrological studies. Mapping seepage and target high-loss channels first.

Harvesting Rainwater

Inflatable Dams

Install low-cost inflatable dams along hill torrents to harness seasonal flows and recharge aquifers. Implementation will follow MT - LT timeline, led by the Provincial Irrigation Departments, with support from WAPDA and the Ministry of Climate Change.

Urban Rainwater Harvesting

Rainwater harvesting in new constructions to conserve municipal water. Regulation already enacted, implementation needs to be enforced.

Additional Governance Measure

Additional governance measures include undertaking ecological zoning, ground water regulation based on sponge city concept, carrying out nation-wide awareness and population control campaigns.

Drinking Water

Study recommends shifting subject of 'Drinking Water' from Climate Ministry to Ministry of Water Resource. Moreover, reset the priority, provision of water for domestic use should be placed above agriculture use. While its consumption is only 5%, its impact is at national level. Licensing and monitoring of domestic groundwater abstraction, linked to recharge obligations. Revision of Drinking Water Policy 2009 – setting new goals till 2030.

Population and Urbanization Control

Population Control through educating masses with a view to reduce the annual population growth rate to 2% within five years. Implementation will follow a Short to Mid Term (ST-MT) timeline, led by CCI and Provincial Governments to ensure coordinated policy alignments and effect.

National Water Awareness Campaign

Launch a coordinated national awareness drive to shift the public mindset from *water luxury to water austerity*. Utilize mass media, educational institutions, and community networks for sustained outreach. Implementation will follow a ST–MT timeline, led by the Ministry of Information and Broadcasting to ensure effective national outreach, awareness building and public engagement execution.

Conclusion

Pakistan's water future hinges on treating water as a national security asset. Internal management issues amplified by external factors of climate change and transboundary aggression have evolved water into National Security concern. The recommended framework offers pragmatic, low-cost yet effective measures across governance, storage, innovation, conservation and diplomacy domain. Treating water as a national security asset, through disciplined implementation, is essential to convert vulnerability into long-term stability.

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THE CHALLENGES OF STATE-OWNED ENTERPRISES (SOEs): REFORM OR PRIVATIZE

Nadeem Bashir, Waqas Parvez, Syed Ali Azhar, Imran Mahmood, Muhammad Khalid Jamil

Abstract

Pakistan's State-Owned Enterprises (SOEs) stand at a crossroads between internal reform and privatization. Chronic losses, weak corporate governance and regulatory inertia have turned many public entities into a persistent fiscal drag, consuming nearly 3% of GDP annually. These inefficiencies are not only governance based; they stem from a political economy where SOEs are used as instruments of patronage, rent distribution and electoral leverage. There is a need to examine why reform efforts repeatedly fail, how political and structural incentives resist change, and what pathways can balance economic viability, social protection and political feasibility. Unless governance autonomy, performance accountability and depoliticization are enforced, reform will remain cosmetic and privatization unavoidable.

Keywords: SOEs, Strategic Importance, Reforms, Privitization, Political Interference, Regulatory Oversight, Fiscal Burden, Service Delivery, Social Implications.

Introduction

Pakistan's industrial development commenced in 1947 and the industrial wheel set in high gear with sound institutional support. Yet over time the momentum revealed lopsided development and concentration of wealth, which set the stage for the onset of Nationalization, where small industries grew while large industries faltered and nationalization expanded the scope of SOEs. Through the 1980s, industrial output was maintained and with reform waves came privatization and liberalization, but Pakistan was ill-prepared to harness benefits due to limited industrial capacity. This all brought us into today's reality in which the bandwidth of SOEs across different sectors effects wider economy while grappling with being over-staffed, politically captured and financially unsustainable; an issue that repeatedly requires equity injections, subsidies, grants and sovereign guarantees. An illustration of core dilemma of balancing economic efficiency with political imperatives is a tension that continues to shape debates on reform and privatization today.

The 1972 nationalization drive fundamentally transformed Pakistan's economic structure by rapidly expanding the scope, scale and political centrality of SOEs. Through the nationalization of major industries i.e, banking, insurance, heavy manufacturing, education and key agro-processing sectors; the state shifted from a regulatory role to direct ownership and operational control of large segments of the economy. This dramatically increased the number of public enterprises and consolidated industrial assets under government management, creating a sprawling SOE sector that extended far beyond strategic utilities into competitive commercial markets. While the policy aimed to reduce wealth concentration and promote distributive justice, it entrenched bureaucratic control, politicized appointments and weakened market discipline; setting structural precedents for soft budget constraints and persistent fiscal support that continue to shape Pakistan's SOE landscape today.

SOEs contribute 40% to domestic output, 20% of total investment and provides nearly 5% of employment opportunities in countries around the world.[1] In Pakistan, a network of 196 enterprises,[2] including commercial and non-commercial SOEs, are spread across various sectors. These entities are not only essential for delivering strategic services but also play a critical role in employment generation, government dividends and tax revenues. However, a big question is the performance of SOEs. Besides, non-commercial self-sustaining SOEs, commercial SOEs are consistently making losses, culminating in an annual loss of 1.16 Tn PKR[3] to the national exchequer. Top 15 loss making SOEs include National Highway Authority, DISCOs, PIA, Pakistan Railways and Pakistan Steel Mills. So the question that naturally follows and that frames everything ahead, is simple and urgent; reform or privatize. During the course of research; the focus has been kept on following areas:

- Weak corporate governance and ineffective regulatory oversight of Federal SOEs has resulted in poor performance.
- Political elites and vested interest groups treat SOEs as instruments of rent distribution and electoral patronage, thus slow or no privatization.
- Failure to privatize consistently underperforming SOEs like PIA and PSM to reduce fiscal burden on the state.

Analytical Framework

Trapped between ideology and pragmatism, Pakistan's SOE journey began in 1947 with 12 x SOEs, when the state started an industrialization drive mainly in cement manufacturing and fertilizer industries to lay an economic foundation for growth. By 1970, the number grew to 94, the portfolio further swells under Nationalization, pushing SOEs' expansion at the cost of efficiency. By 1980, the number reached 354. However, in 80s, the policy swings to liberalization where 100 × SOEs were privatized. Entering 1990, a formal Privatization Commission takes shape alongside SAPs and IMF. Another 160 × SOEs were privatized, bringing us to 2024, where the road still bends between what to keep and what to let go because the state's approach to SOEs reflects political expediency more than economic rationality, producing cycles of expansion and retreat.

Pakistan's SOEs sit at the heart of nation building and strategic continuity. Pakistan Railways still carries over 70 million passengers connecting cities, markets and people together. On the services front, public service delivery scales nationwide as distribution companies supply power to 30+ Mn consumers. For society, employment & social stability matters; SOEs employ approx 450,000 people, anchoring organized jobs and local economies. On the fiscal side, revenue generation is substantial. Oil & Gas alone contributes half of the SOEs revenues, underwriting both investment and the exchequer. KPT and Gwadar Port secure trade lanes, logistics and national reach. Together, these pillars show why SOEs carry strategic weight; delivering services, revenues, jobs and security.

Growth trajectory begins with Initial Industrialization & Import Substitution (1947–1960); a chapter where Pakistan set out to build capacity at home and replace what it once bought from abroad, following Import Substitution Industrialization (ISI), an approach often used by developing nations to decrease their dependence on developed countries by nurturing domestic production behind protective walls. This opening move shaped the mindset for self-reliance and framed the next stages of the country's industrial journey. Notable SOEs of the time were State Bank of Pak, National Bank of Pak, WAPDA etc.

During phase of Industrial Licensing (1960-70), Pakistan pushed sectoral growth as PIDC established 94 industrial units, backed by fiscal incentives like a Bonus Voucher Scheme and the EPZ concept, yet the licensing system kept tight control and the focus remained on import substitution. Within that mix, textiles dominated; contributing 30 to 35%, with moderate growth in steel, fertilizers & food processing and overall industrial growth at 7 to 9% annually, contributing 26% of GDP, but the export basket stayed narrow, yielding Low Valued Exports because of an absence of high - value added industries and insufficient R&D investment (less than 0.1% of GDP). Momentum was further hampered after the 1965 war and by imbalance between public & private sector. Growing imbalances and wealth concentrations in the hands of business houses underscored how licensing - led expansion could scale output without upgrading value.

In the Nationalization Drive (1970-79) Pakistan shifted to state-driven development of industry under socialist inspired reforms, pulling the levers in heavy industries, the banking sector, energy & utilities, education and SMEs; bringing 32 key industries under control.[4] The impact of nationalization was sweeping. Textile was partially nationalized (10%), about 40% of fertilizer plants moved into the public fold. Through PIDC, the state built flagships like the Steel Mill, Heavy Mechanical Complex and Port Qasim to anchor scale, yet industrial performance revealed cracks; inefficiencies in management, reversal of private enterprise and a resulting diminished innovation & efficiency, with industrial growth easing to 3.7% annually even as textiles still accounted for roughly 35% of industrial output. To soften the blow and keep exports alive, policymakers rolled out duty drawback schemes, an exports-oriented units scheme and raw-materials exemptions, but the underlying story remained a trade-off, more state reach, less market dynamism.[5]

From 1980, we enter de-nationalization, responding to failure of nationalization. SOEs were privatized and by the late decade we were firmly in privatization and liberalization. An investment resurgence follows from 1985 onwards, with a notable increase in investment in Textile, as Cotton Textile remained corner stone of industrial landscape. Through the 1990s came Liberalization and Globalization, an increase of investment in manufacturing sector from 8% -10% of GDP. Even as the financial sector struggled; by 2000, textile continued to be major export while the sugar industry expanded, helped along by policy tools like the Export Finance Scheme and Duty and Tax Remission for Exports.[6]

From 2000-2024, Pakistan moved through three frames. Firstly, a Shrunk Industrial Base, marked by strategic slip-ups, mis-allocation of investment and lack of diversification which led to insignificant manufacturing output and visible de-industrialization. Secondly, a shift to Real Estate Investment, where economic growth rode on increased liquidity and the resumption of aid flows, channeling significant investments into real estate and the stock market, even as rising debt & fiscal deficit mounted, FDI declined, privatization set back and LSM failed to take off. And finally, the promise of Short Term Gains fades into the bill for inaction; rising debt and fiscal deficit, FDIs declined with privatization setbacks and a failure to address structural reforms. This echoed the lesson that even the 2005 strategy with its incentive approach could not yield expected results without deep fixes to productivity, competitiveness and governance.

The Pulls of SOEs

Presently, SOEs net assets of 6.629 Tn PKR[7] signal balance-sheet depth that can anchor reform. Moreover, revenue generation of 457 Bn / 6 months shows a cash engine when operations click and 0.45 Mn skilled manufacturing jobs reflects a nationwide skills base which cannot be rebuild overnight. These pull factors reflects profit made by 9 x SOEs in 2024 - 25; which resulted into 44% of GDP in assets, 12% of GDP in revenue and 0.7% of GDP in terms of formal workforce.[8]

The Push of SOEs (2024)

Subsidies stands at 782 Bn PKR, grants at 367 Bn PKR, loans at 336 Bn and equity injections are 99 Bn PKR which keeps loss making SOEs afloat.[9] Besides, sovereign guarantees are 1.4 Tn PKR. This results into annual losses to the tune of 1.16 Tn PKR.[10] Aggregate losses (mostly over last 10 years) have reached 5.7 Tn PKR, a drag close to 5% of GDP.[11]

The Cabinet Committee on Privatization (CCoP) recently approved 24 SOEs for privatization in a phased five-year plan (2024-29) as follows:

- **Phase I (1 year)**: Includes PIA, Roosevelt Hotel, ZTBL, FWBL, HBFC, PECO, SEL and three DISCOs (IESCO, FESCO, GEPCO).
- **Phase II (1–3 years)**: Includes State Life Insurance, Pakistan Reinsurance, power generation companies, DISCOs like LESCO, MEPCO, HESCO, PESCO, SEPCO and Utility Stores Corporation.
- **Phase III (3–5 years)**: Final entity to be privatized.

Pakistan has about 196 state-owned enterprises, of which, 89 are commercial and spread across aviation, energy, transport, banking and manufacturing. SOEs collectively employ around 450,000 people, making them one of the largest formal sector employers in the country. SOEs continue to hold critical assets in aviation, energy, ports, steel and railways, providing essential services and infrastructure that underpin national security and connectivity. Since 2014, SOEs have accumulated cumulative losses of about Rs 5.7 trillion (USD 20 billion), though some entities remain profitable. Pakistan's 75 years have grappled with catch 22 situation of restructuring or privatizing.[12]

Case Study – Pakistan International Airlines (PIA)

From its roots as Oriental Air (1946, Calcutta) as coined by M.A. Isfahani to its rebirth as Pakistan International Airlines in 1955, PIA built a reputation as a profit-making SOE and a regional pioneer. The first Asian airline to operate a jet and the first Asian airline to fly the super constellation, expanding routes so fast that a PIA aircraft was taking off or landing every six minutes on its worldwide network. At its peak, it ran 28 years of profit, ranked among the world's 5th largest in profit and even assisted nine airlines; helped build Emirates, management of Singapore and Qatar Airlines. While ads from the era captured the momentum; "Great People to Fly With", "While others have cut back, we added 12 more aircraft," "Others cut back, we bring on the Jumbos" and "PIA booking—two fully rated captains**.**" Together, these milestones show how PIA once combined ambition, scale and operational excellence to deliver steady returns as a flagship state enterprise.

By the 1980s, PIA carried over two million passengers annually, earned more than $130 million in revenue and was a source of national pride. But the tide turned in the 1990s with liberalization and open skies policies. Competition grew, political interference began and repeated failed privatization attempts led to inefficiency, over-staffing and declining performance. By the 2000s, PIA entered a streak of continuous losses lasting over two decades. The fleet shrank, debt mounted to over $3 billion and staff ballooned to unsustainable levels. The 2020s brought further crisis. The pilot license scandal grounded a third of the pilots and led to EU, UK and US flight bans, costing $600 million in just four years.[13] Today, with only 19 operational aircraft and historic debt, PIA faces a critical juncture. The government has established a holding company and initiated serious privatization efforts. While past attempts failed, the current strategy signals a strong push to revive PIA through private-sector participation and reforms.

PIA once stood as a symbol of pride and innovation. Its success drew from a strategic geographic position, strong leadership under figures like Nur Khan and Asghar Khan and the freedom to make independent decisions. It pioneered unique, profitable routes (such as transatlantic flights to New York) and quickly adopted modern aircraft like DC-10s and 747s, boosting capacity and prestige. Through bold perception management such as setting the 1962 London–Karachi speed record and becoming the first non-communist airline to fly into China; PIA built a global reputation for excellence, efficiency and national pride.

However, PIA's privatization journey has been marred by repeated failures. In 1997, it was placed on the privatization list but lacked a legal framework. By 2009, union strikes forced its removal. In 2013, efforts to sell 26% shares and management control collapsed due to union resistance, while 2016 saw violent protests backed by political parties. A fresh push in 2024 came with proper legal backing, yet low bids led to shelving once again. These repeated setbacks highlight how political interference, union pressures and weak execution have consistently derailed reform. Key takeaways are:

- **Political Economy Trap – Core Paradox**: PIA needs privatization to survive, but the very factors requiring privatization (over-staffing, political interference, union power) make it impossible to privatize.
- **Violence as Veto Power**: Unions have learned that extreme resistance works as every violent protest has successfully stopped privatization.
- **Privatization without Reform**: Investors seek dividend not legacy stresses. Privatization will only succeed if preceded by internal reform

Case Study - Pakistan Steel Mills (PSM)

The vision for Pakistan's steel industry in the 1950s was shaped as much by strategic geopolitics as by industrial need. Prime Minister Liaquat Ali Khan's cabinet saw steel as the backbone of industrial capacity and a way to reduce dependence on imports. By 1956, Pakistan faced a choice: partner with Germany for a long-term, iron-ore-based industrial development model or with Russia for quick import substitution. The dilemma reflected broader geopolitical alignments. Pakistan was already in SEATO and CENTO, making ties with Moscow politically sensitive. Short-term efficiency often prevailed over long-term independence and shifting alliances plus political transitions delayed execution. The steel mill thus became a symbol of how geopolitical balancing, alliance pressures and domestic politics shaped economic choices.

The story of Pakistan Steel Mills (PSM) reflects how a project once seen as a symbol of national pride gradually turned into a heavy liability. Its origins trace back to Ayub Khan's visit to Moscow in the 1960s, where Russian support paved the way for the mill's establishment. By the 1970s, groundwork began with land provided by the Sindh government and in 1981, the commissioning phase started with the first blast furnace inaugurated at a cost of $27.8 million. Through the 1980s, PSM operated at peak performance, producing 1.1 million tons annually and marking Pakistan's entry into the global steel elite. However, from the 1990s onward, internal inefficiencies, technological obsolescence and regional competition led to strategic failure. By the 2000s, mismanagement, corruption and repeated bailouts hollowed out the enterprise, while failed privatization attempts and union strikes accelerated its collapse. Despite multiple revival attempts, PSM accumulated 600 billion PKR in debt and became a textbook example of how poor governance, political interference (8 x labour unions) and lack of foresight can transform a strategic asset into a fiscal burden.[14] Pakistan's industrialization ambition, when struck by the globalization shock and compounded by inapt management, ultimately transformed into a white elephant. Strategic asset became a victim of globalization, poor governance and Pakistan's failure to adapt state-owned enterprises to competitive market realities.

In 2006, an attempt was made to privatize the Pakistan Steel Mills by selling 75% stakes to the Al-Tuwairqi Group for 362 million USD.[15] However, the deal quickly became controversial as it was marred by procedural irregularities, asset undervaluation and legal violations. The Supreme Court intervened, declaring the process flawed, which ultimately derailed the transaction. What could have been a turning point for the revival of the Steel Mills instead exposed weaknesses in transparency and governance, leaving the institution trapped in decline. In 2015, during the PML(N) government, privatization attempts of Pakistan Steel Mills faced severe resistance. Unions launched violent strikes while political opposition rallied against the move, framing the mill as a matter of national patrimony. This combination of labor unrest and political backlash derailed the reform effort. During PTI's tenure in 2020, Pakistan Steel Mills faced multiple setbacks as IMF conditionality restricted fiscal space, while the pandemic further disrupted operations. Internal disagreements, persistent union strikes and the burden of legacy debt compounded the crisis, leaving the enterprise unable to recover. Private steel industry is thriving in Pakistan because they are commercially disciplined (no political interference), run modern, efficient tech, keep lean staffing and flexible supply chains and pass costs to market or pivot products quickly. Pakistan Steel Mills, by contrast, has obsolete plant, heavy legacy debt / over-staffing, erratic energy, raw-material issues and state-directed decisions. Few key takeaways are:

- Judicial interventionism paralyzed market confidence; Tuwairqi Group's petition is still under review.
- Asset deterioration is behind economic irrationality; plant needs major overhaul.
- Political constraints continued to trump "Economic Logic".
- Strategic timing was misaligned with market realities; global steel disruptions did not sit well with privatization.

Analysis

500 Bn rupees is the annual loss which all SOEs accrue, whereas the annual PSDP is 700 bn which usually makes up for losses. Top 10 loss making SOEs contribute 90 % of the loss while top 10 profit making contribute to 80% of overall profit making. Despite government support of Rs. 1.6T (13% of the budget), inefficiencies persist.[16]

Cabinet Committee is working alongside 18 x line ministries; however, this structure leads to serious governance challenges. Conflicting objectives across ministries, bureaucratic bottlenecks slowing down decision-making and accountability diffusion where no single entity owns outcomes; results in inefficiency and weak oversight.

Besides institutional fragmentation, there is a complex web of regulations over SOEs. The Ministry of Finance provides financial oversight while the Central Monitoring Unit ensures compliance tracking. At the center, SOEs are regulated and influenced by line ministries as sector regulators then departments as technical regulators and FBR as tax collector. On the policy side, the CCoSOE handles policy oversight, whereas the Privatization Commission manages sales and the Auditor General conducts external audits. Multiple overlapping layers of control ranging from the CMU and Line Ministry to the Monitoring Cell, Board of Directors and costly Financial Advisors; create inefficiency instead of accountability. While intended for oversight, these entities often result in IMF-imposed conditions, bureaucratic entanglements and excessive costs, with boards accumulating perks like foreign visits, trainings and dollar-based remunerations.

The socio-political drags on SOEs stem largely from persistent political interference, where successive governments disown responsibility while unions sustain patronage and block reforms, leading to repeated rebounds without lasting change. Added to this is the social contract dilemma, where economic rationalization is stalled because huge subsidies continue in the name of social stability like paying thousands of employees even when operations are minimal; causing heavy losses but seen as necessary for political sustainability.

Return over assets shows how efficiently the firm's assets are being deployed to generate earnings. Despite IMF and OECD benchmarks, most SOEs remain below par due to measurement gaps, unrealistic targets and weak accountability. Acceptance of 5% ROA by Ministry of Finance and CMU implies a tacit acceptance of inefficiency which creates vicious cycle of technological stagnation, process paralysis and resource mis-allocation further draining financial agility and wastes both capital and talent, undermining performance and growth potential.

This highlights how multiple structural, regulatory and operational weaknesses collectively drag down SOEs. The actors at play who have their skin in the game, affecting these SOEs are Government for management, regulators for oversight and organization for corporate governance.

Appraisal – PIA and PSM

PIA is an interplay between three actors; Government, Regulator (CAA) and Organization (PIA). It unfortunately has not remained insulated from political meddling of the government. PIA's unions became politicized after the 1970s nationalization wave, when government parties began courting union support for political mileage. The meddling works through three channels. Party affiliations, hiring, postings and policy obstruction. This was compounded by monochromatic policy stances, where strategies like the National Aviation Policy 2023 were marked by patronage, lacking adaptability to extrinsic and intrinsic challenges and was made without taking PIA on board. Finally, the PIAC Act 2016 restricted privatization to just 49% while ensuring management control remained with the government; effectively preventing meaningful reforms. Under the Government & Civil Aviation Authority, the 1993 "Open Sky Policy" proved to be a strategic miscalculation. 12 private airlines began operating domestically from Dubai, cherry-picking Pakistan's most profitable routes and crushing PIA yields. The policy was pushed predominantly amid an IMF squeeze and balance of payment crisis. But it had far-reached implications which were overlooked due to financial expediencies and it resulted into an aviation storm, exhibiting PIAs decline of air slots and increase of slots on domestic routes by Gulf airlines.

The governance failures of PIA span over three layers; first one is structural inadequacy which depicts the duality of the government in managing the corporate affairs of PIA. The functional inadequacy of the organization which works with no performance indicators and accountability mechanisms and finally the operational inadequacy including collapse of the safety-management system, the weak fleet management and deteriorating service quality. These inadequacies have ripple effects which transcend into over-staffing, corruption, inapt strategic management of national flag carrier, poor regulatory frameworks and failed compliance frameworks of international aviation organizations resulting into bans. Auditor general's report of 2018 stated that PIAC has been run like a non-business entity, governed by non-professional Boards of Directors and managed by CEOs, lacking industry specific experience.

Civil aviation authority being the regulator of PIA, remains in conflict of interest by regulating as well as providing airport services. This has contributed to safety-oversight lapses; notably the 2020 "Fake Pilot License" scandal that triggered route bans to Europe and the UK and losses of about Rs 7.9 billion in six months. CAA is further shaped by a heavy government footprint led by the Secretary Aviation on a permanent basis with involvement of the PIA Chairman, VCAS and three secretaries; blurring lines between regulator and operator and weakening accountability. PIA is weighed down by an aging fleet, inefficient operation and a legacy of mis-governance. The fleet is senescent with an average age of 17.9 with only 56% functional aircrafts and about 60% seat occupancy. Technically, turnaround maintenance time of PIA is doubled and aircraft to pilot and crew ratios are almost doubled by any international standards. Compounding these aspects are corrupt practices which have marred leadership. Qualified HR evaluation of PIA by IATA is either in the range of being absent or needs major improvement.[17]

As of early 2026, the long-delayed privatization of Pakistan International Airlines (PIA) has been formally concluded. In December 2025, a consortium led by Arif Habib Group won a competitive auction for a 75 % majority stake in PIA with a bid of about Rs 135 billion (approx $482 million), marking the first major sale of the national carrier in nearly two decades. The government and the consortium signed transaction documents in Islamabad in January 2026, with the Prime Minister highlighting transparency and expectations of improved operational performance under private management. The new owners have signaled plans to revamp the airline, including fleet expansion and engagement with aircraft manufacturers. Efforts are reportedly underway for the consortium to acquire the remaining 25 % government stakes, potentially giving it full control.[18]

However, a question arises that why Air blue, though relatively lesser in fleet size has been successful in Pakistan. Compared to PIA, its employee to aircraft ratio is as per industrial standards. Its smart business choices of having the same type of aircraft, leaner structure and smart route selection are attributed to its success.

Pakistan Steel Mills' collapse stands as a textbook case of how political interference erodes industrial potential. Post 1977 environment gave a fillip to MQMs nascent formulation, especially in the wake of Peoples Party purging. Pakistan steel was considered Peoples Party's stronghold and once faced with the opportunity to grow politically, MQM ingressed into steel mill. With 15 trade unions and ghost employees, 1980s saw political violence and tug of war. On one side, we had peak performance era of steel production, on the other, we had a pull and push power struggle between political parties to gain or maintain foothold.

PSM's inauguration tied it to antagonistic politics, making it a battleground for votes and power and hence organizational bloat, inefficiency and organizational failure. Policy drift and coordination failures set the stage for decline. Islamabad missed the modernization window. Reduced tariffs under IMF pressure and letting cheap steel imports undercut domestic output. With no strategic partnerships or JVs to bring technology and know-how, operational gaps widened. At the same time, seven regulatory agencies operated without binding lateral linkages, so decisions were fragmented and slow, entrenching a cycle of under-investment and fiscal stress. The governance remained in financial quagmire because of weak board of directors who were de-facto representatives of Government. Technological obsolescence continued with no ambition from government to evolve. The mill consistently operated well below its installed capacity, sometimes falling to 30 - 40% utilization (had 1.1 mn ton capacity). There never was a plan for sustained production. Adhoc import of iron ores continued to chip in barring long term sustained production steel mill.

In late 1990s, China became a giant producer of steel. Its over-productivity compelled us on a dumping spree in the region. Even at a loss of 50 dollars per ton, China offered steel to Pakistan. Pakistan started getting steel at 350 dollars where our own production was 500 dollar per ton. There were no additional tariffs imposed by Pakistan unlike other countries, resultantly, our domestic steel collapsed, trade deficit increased and industrial de - skilling commenced.

Contemporary Models - Management

- **Temasek Holdings (Singapore)**: From successful management perspective, Temasek model of Singapore is most apt example. Temasek holdings is a company founded in 1974, based on commercial business enterprise model. Singapore government does not interfere with functioning and decision making of this company, that's why it has successfully developed 41 subsidiaries in various sectors. Its chairman is appointed by President, who doesn't have executive functions. One single holding company running all SOEs of the state and has accumulated 454 Bn dollars worth of assets. Temasek's success stems from political will, professional management and a relentless long-term focus.

- **Khazanah (Malaysia)**: Malaysia's Kahzanah inspired by temasek's success was formed in 1993. It made two discretions, a strategic fund to manage strategic SOEs and a commercial fund for commercial entities. Strategic funds run SOEs have a lot of similarities with Pakistan. 7% of the revenue is attributed to strategic SOEs. Khazanah's cautious and limited approach ensured resilience, though limited by political influence and slower growth.

Roadmap / Policy Recommendations

Building on the analysis and case studies, the roadmap lays out comprehensive reforms across systemic, organizational / governance, financial / social and operational dimensions. Progress must be simultaneous yet sequenced, to break entrenched dysfunction.

Systemic Reforms – Policy Framework and Ownership Strategy

- Government must define which SOEs are profit-oriented and competitive and which are strategic or for public service. The policy should clarify which SOEs are to be privatized, corporatized or retained. New SOEs must be prohibited and viable private solutions be encouraged. This reduces uncertainty for investors by signaling the state's ownership intent.
- Full implementation of the SOE Governance and Operations Act while prioritizing boards autonomy, financial reporting and performance management.
- Building on the ownership policy with a realistic divestiture plan; targeting large fiscal drain SOEs. Choosing the best modality for each transaction whether sale, Public Private Partnership or liquidation. Thereafter, preparing SOEs via restructuring, audits and with use of credible financial advisors. Ensuring transparency with open bidding and oversight by regulators and independent observers to build public trust.
- Many SOEs cut across federal - provincial lines (e.g, DISCOs and PSM). In such cases, highest level political endorsement must be secured through the Council of Common Interests to pre-empt and resolve resistance. Provinces

must be offered stakes in future asset use. Aligning all stakeholders under the national interest can make even though SOE reforms feasible.

Institutional Reforms - Coordinating Structures and Capacity

- Consolidate commercial SOEs under a single holding entity. Activating Sarmaya-e-Pakistan into an "SOE Agency" while negotiating with IMF. Like Temasek Singapore, this entity should have a professional board and management, act as shareholder on behalf of the state and focus on performance, partnerships and divestiture. A centralized ownership will reduce fragmentation and insulate SOEs from political pulls.
- Implementing RACI matrix to end overlap and expedite decisions. CCoSOE shall set strategy / targets and clears political hurdles. The central holding company shall act as operator while supervising boards and KPIs. Privatization Commission shall run transactions. Line ministries and regulators shall focus on sector policy and enabling regulation.
- Every SOE shall publish timely annual reports, audited financials and quarterly KPI summaries, preferably displayed on public SOE dashboard. This will create peer pressure, flag early warning signs and build investor and public trust.
- Create an SOE Reform Unit staffed with specialists in corporate finance, law, HR and communications, complemented by a panel of external financial and transaction advisors for valuation and restructuring. The unit shall be equipped enough to act pro-actively rather than being reactive. Case in point is Privatization Commission.

Governance Reforms – Depoliticizing and Professionalizing Management

- Reconstituting boards with majority independent, professionally qualified directors as per SOE Act 2023 and not serving officials or political nominees. Ensuring transparent / merit-based nomination through independent commission, private sector and diaspora. Enforcing term limits and protecting boards from arbitrary removal to enable long-term decisions. Introducing formal performance based agreements for each SOE's management, aligned with the company's turnaround plan.
- Strengthening internal audit and empowering board audit committees to act on irregularities, especially in procurement and fund leakage. SOEs must comply with PPRA rules until privatized or adopt SOE - specific procurement guidelines.

Financial Reforms – Ensuring Sustainability and Reducing Fiscal Burden

- Execution of a cabinet-approved, one-time debt resolution for the most indebted SOEs. Restructuring and writing off state loans and settle arrears, using an IMF-aligned framework (e.g, debt-for-equity, long-term bonds). Restoring solvency to enable investment and partnerships.
- Setting a clear deadline after which commercial SOEs shall no longer get routine subsidies. Any government help must be temporary, linked to a formal restructuring plan and end by a fixed date.
- Improve monitoring of SOE debt and liabilities through the Debt Policy Coordination Office and SBP. Setting explicit limits on new guarantees that can be issued for SOEs each year to impose discipline.

Operational Reforms – Efficiency, Service Delivery and Human Resources

- Gradually reduce excess staff via **hiring freezes and voluntary separation schemes**. In parallel, up-skill **remaining employees** in modern technical and managerial competencies to close critical skill gaps.
- A visible improvement in service delivery can build public support for SOE reforms. Better management, use of technology as an enabler and digitized processes can serve the purpose.
- Identify functions within SOEs that could be better handled by private firms under contract. Additionally, pursue management contracts for whole SOEs in cases where capacity is lacking.
- Allocate investment through public funding or strategic partnerships for critical modernization. Without new technology, no amount of restructuring can yield results.

Managing the Political Economy – Communication and Social Safeguards

- Launch a proactive communications campaign around SOE reforms. The narrative must shift from "privatization is selling national assets" to "reform is saving national assets and improving services".
- Bring parties together through an All-Parties Conference on SOEs to agree on basic reform steps. Even if full agreement isn't possible, get informal

assurances so tough decisions are not reversed by the next government. This will unlock actions and make reforms stick.

Conclusion

If annual SOE losses grow by about 8% per year, cumulative losses could reach nearly 22.5 trillion PKR by 2035, with yearly losses crossing 2.3 trillion PKR. This trajectory would significantly intensify fiscal pressures, widen the budget deficit and crowd out development spending, particularly when compared to the scale of the Public Sector Development Programme (PSDP). Persistent compounding losses at this level would also increase reliance on sovereign guarantees, deepen contingent liabilities and weaken macroeconomic stability, thereby limiting the state's capacity to invest in social protection, infrastructure and growth-oriented reforms.

To avert this trajectory, Pakistan should focus on quick wins through the restructuring or privatization of PIA, First Women Bank and House Building Finance Corporation. These entities present relatively manageable transaction sizes and clearer restructuring pathways, allowing the government to demonstrate reform credibility. Liability carve-outs, strategic partnerships, management contracts or phased divestment could immediately reduce fiscal drain while improving operational efficiency. Visible success in these cases would help build reform momentum and reduce political resistance to broader structural adjustments.

A broad political consensus is needed for future privatizations and public private partnerships in energy and infrastructure sectors such as Railways, which will drive long-term growth. Without cross-party agreement, privatization efforts risk reversal, litigation, or policy uncertainty, all of which undermine investor confidence. In sectors like energy and railways where public service obligations are significant; well-designed PPPs, concession agreements and performance-based subsidies can balance commercial viability with social objectives. Such arrangements can mobilize private capital and technical expertise while preserving public oversight and strategic control.

Legal reforms must align regulatory frameworks to foster investor confidence, while transparency and communication via a digital repository of assets and public KPIs are critical to building trust. Strengthening the separation between regulator and operator, enforcing fit-and-proper criteria for boards, ensuring IFRS-based financial reporting and institutionalizing hard budget constraints will reduce political interference and improve accountability. A centralized digital platform that discloses SOE assets, liabilities, guarantees, quarterly performance indicators and restructuring milestones would enhance transparency, reduce information asymmetry and build public ownership of reform.

Together, these measures can transform SOEs from chronic loss-makers into contributors to national development. Rather than functioning as recurring fiscal burdens, restructured and professionally governed SOEs can generate positive cash flows, support industrial competitiveness and catalyze private investment. By combining early transactional wins, political consensus, regulatory strengthening and sustained transparency, Pakistan can reposition its SOE sector as a disciplined and growth-supporting component of the national economy rather than a compounding source of fiscal risk.

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RE-IMAGINING PAKISTAN'S FISCAL OUTLOOK - EXIT STRATEGY TO IMF DEBT CYCLE

Taimur Hussain, Sheena Ali Mansoor, Mohsin Rafique, Hamid Ali Khan, Tauqeer Ahmed Khawaja, Naoufal El Yamani (Morocco), Joshua Shehadeh Khoury (USA)

Abstract

This paper is an investigation into the chronic fiscal weakness and repeated reliance on International Monetary Fund (IMF) programs in Pakistan in the context of a long-term cycle of stabilization with no structural change. Though, IMF programs have time and again helped to restore short term stability, it has not provided long term resilience and growth. In the study, an exit plan is suggested through domestic ownership of reforms, continuity of the system, diversification of exports and social security. The combination of Brazilian lessons with the current macroeconomic realities in Pakistan enables the study to promote a practical path to the fiscal consolidation approach that would promote stability, equity and development. The results note that economic sustainability is best achieved by consistency in policies over time and not occasional crisis management.

Keywords: IMF Dependency, Fiscal Sustainability, Economic Sovereignty, Structural Reforms.

Introduction

The economic history of Pakistan is characterized by constant fiscal instability, frequent balance of payment crises and frequent dependence on financial aid by the International Monetary Fund (IMF). After its inaugural Stand-By Arrangement in 1958, Pakistan has gone through over twenty IMF programs and this makes it one of the most frequent IMF users in the developing world. Although these programs have been very effective in restoring short conditions of macroeconomic stability and preventing sovereign default, they have seldom caused the structural changes that are required to make the fiscal strategies sustainable in the long run. Consequently, Pakistan has been caught in a vicious circle of economic stabilization, followed by financial strain and then a relapse to IMF programs.[1]

The permanency of this loop exudes profound structural weaknesses of the Pakistani economic and fiscal framework. Lack of strong revenue mobilization, thin tax base, ineffective government sector businesses and perennial energy sector losses have continued to deter fiscal stability. Meanwhile, the external sector in Pakistan is weak, since there is not much diversification in exports and reliance on imports is also high mostly on energy and capital goods.[2] External shocks like global commodity price fluctuations, geopolitical shocks and climate-related disasters have increased these structural weaknesses. As a result, the financial system of Pakistan is extremely vulnerable to both internal issues of governance and the external economic changes.

The IMF was actually incepted in 1944 at the Bretton Woods Conference and its aim was to ensure international monetary collaboration, a stable exchange rate and a balanced international trade. The IMF started as a management institution to manage a fixed exchange rate regime pegged to the U.S. dollar and gold, but after the failure of the Bretton Woods system in the early 1970s became a crisis management institution. The Fund today has three key functions that include: economic surveillance, financial aid to countries experiencing a balance-of-payments crisis and capacity building by providing technical advice in matters of fiscal and monetary management.[3]

Nevertheless, these goals have been criticized to have seen IMF programs focus on the short-term macroeconomic stabilization over the long-term structural development. The policy prescriptions normally focus on fiscal tightening, reduction of subsidies, flexibility in exchange rates and tightening of the monetary policy. Although, these strategies may help to reestablish the macroeconomic equilibrium in the short-term, they might not take into consideration deeper structural concerns of productivity, export competitiveness, government and institutional capacity.[4] In the situation of Pakistan there are frequent IMF interventions, which underscore the poor performance of the stabilization policies to contain the underlying economic weaknesses of the country.

Historical Pattern of IMF Engagement

The relationship that has existed between Pakistan and IMF has passed through various economic and political stages. In the early 1950s, the initial IMF program in the country was created due to the weak reserves and fiscal limitations in 1958. The 1960s was the period of rapid economic expansion and is often termed the Decade of Development, however, this expansion was largely relying on foreign aid and import-substituting industrialization.[5]

External financial aid dependence of Pakistan was further aggravated by the economic crises in the 1970s and 1980s. Oil shocks around the world, strengthening of fiscal deficit and inefficiencies in the structure caused an augmentation in the macroeconomic volatility and the worker remittances merely covered the weaknesses of the internal economy in the short run.[6] Political instability and inconsistent economic reforms that occurred during the 1990s saw the repetition of IMF arrangements and program suspensions.

Despite the structural changes that have been undertaken in the early 2000s, such as restructuring and privatization of the financial sector, which momentarily improved the state of macroeconomic indicators, the issues with the fiscal vulnerability remained unaddressed. The inefficiency of the energy sector, limited tax base and the increasing public debt finally reappeared as one of the significant economical problems.[7] Towards the end of the 2010s and the beginning of the 2020s, Pakistan was again subjected to extreme macroeconomic strains, as a result of global economic shocks, the COVID-19 pandemic and climate-related disasters. These events compelled the nation to be in new IMF stabilization programs, which strengthened the cycle dependence trend.

Problem Statement

The Pakistani economy has been facing a repetitive fiscal crisis and a repetitive reliance on the International Monetary Fund (IMF) stabilization programs throughout the past six decades. These programs have averted the acute crises of balance-of-payments and they have restored short-run macroeconomic stability in the country; however, this has failed to address the structural weaknesses of the fiscal system in Pakistan. The systemic challenges of a small tax base, poor mobilization of revenue, low efficiency of state owned firms, increasing public debt and long term losses in the energy sector still beset the fiscal sustainability and economic stability. Pakistan will therefore often revert to IMF programs when financing demands become intense.

This cycle of continuation underscores a structural issue of critical concern: stabilization measures which have been undertaken under IMF programs have often been aimed not at economic transformation over long-term but at short-term fiscal adjustments. Simultaneously, policy discontinuity, limitations on good governance and external shocks such as global commodity prices, financial market shocks and climate related disasters have further exacerbated efforts at achieving sustainable fiscal reform. Consequently, the economic policy framework of Pakistan has been susceptible to macroeconomic crises and long-term reliance on foreign financial aid.

Although, there is extensive academic and policy literature that has investigated IMF programs and the fiscal predicament facing Pakistan, there is still no analysis of holistic strategies that may help the country to end this cycle and experience fiscal sovereignty. Hence, the main issue considered in this paper is the lack of a sustainable and long term policy framework that can mitigate structural financial vulnerabilities of Pakistan and help the country slowly come out of its repetitive dependency on IMF financial assistance.

Research Questions

The study is guided by the following central research question:

- How can Pakistan break the recurring cycle of IMF dependence and achieve long-term fiscal sustainability through structural economic reforms?

To address this overarching question, the study explores the following subsidiary research questions:

- What structural economic and fiscal factors have historically contributed to Pakistan's repeated reliance on IMF programs? And to what extent have IMF stabilization programs addressed Pakistan's underlying fiscal vulnerabilities?
- What lessons can be drawn from international experiences of countries that successfully exited prolonged IMF dependence? And what policy framework can enable Pakistan to achieve fiscal resilience and reduce long-term dependence on external financial assistance?

Hypothesis

The research will support the hypothesis as follows:

The cycle of IMF loans in Pakistan is mostly because of its chronic structural flaws in fiscal control, mobilization of revenues, handling of the energy sector and the diversification of exports. The only way to attain sustainable fiscal sovereignty is by having a thorough domestic reform initiative that comprises fiscal discipline, institutional fortification and systematic economic change.

Research Objectives

To answer the research questions and test this hypothesis, the study will seek the following objectives:

- To investigate how Pakistan has interacted with the IMF over the years and the macro economic consequences.
- To determine the structural, fiscal and economic processes that perpetuate the IMF dependency of Pakistan.
- To examine the international case studies, especially Brazil, to draw lessons on the policies applicable to Pakistan.
- To suggest a strategic system towards attaining fiscal sustainability and decreasing dependency of Pakistan on IMF programmes.

Significance of the Study

This research is important because it tries to change the analytical emphasis in the short-term management of crises to long-term fiscal change. Pakistan has had a lot of economic debates that have focused on the short term stabilization policies that have to be applied to obtain IMF funds. Nevertheless, such measures are not likely to yield any sustainable economic outcomes without considering structural fiscal weaknesses.

This study will help the broader discussion of economic sovereignty and sustainable development in Pakistan by formulating a very holistic narration of fiscal reforms, diversification of exports, institutional strengthening and development of human capital. In addition, via learning through experiences of other countries, the study offers practical knowledge to the policy makers on how to develop strategies that can end this cycle of IMF addiction.

Literature Review

The chronic fiscal instability and frequent IMF involvement of Pakistan has spawned a lot of academic and policy discussions. A number of scholars, international financial institutions and development economists have looked at the causes and effects of IMF programs in the developing economies, with particular reference made to macroeconomic stabilization, structural reform and economic sovereignty. In the case of Pakistan, literature has mostly blamed the repetitive IMF dependence as stemming from structural deficiencies in fiscal governance, inefficient revenue mobilization, poor export competitiveness and poor management of the public sector segment.[8]

Notwithstanding the significant amount of literature on IMF programs and the fiscal issues faced by Pakistan, the literature is still disjointed. Most studies are more interested in macroeconomic stabilization performances or short-term policy conditionalities instead of studies on the structural change that is required to end the cycle of IMF dependency. The chapter provides a literature review of the available literature regarding IMF stabilization programs, fiscal sustainability, structural reform and world experiences of breaking IMF dependency. It also determines the significant gaps in the research and the theoretical framework to use in the current study.

IMF Stabilization Programs and Economic Reform

The International Monetary Fund was established in 1944 during the Bretton Woods Conference with an aim of facilitating international monetary collaboration, stability of the exchange rates and equal international trade.[9] The institution later became the central lender of last resort to nations that were in a balance-of-payment crisis. The IMF aid has usually come in the form of a stabilization program which involves financial aid coupled with policy conditionalities that are geared towards restoring macroeconomic stability. Much literature has focused on the economic implications of IMF programs. Bird and Rowlands suggest that the IMF interventions mainly concentrate on short-term macroeconomic stabilization by means of fiscal austerity, monetary tightening and adjusting the exchange rates.[10] Although such policies could help in curbing inflation and regaining the balance of payments, critics argue that the policies usually overlook the long-term development goals, including industrialization, job creation and technological progress.

On the same note, empirical results of Dreher on IMF programs in developing countries indicate that, although the IMF program has an effect on economic policy reform, it is not clear whether it has an effect on long-term economic growth in the developing countries.[11] Other researchers have indicated that IMF conditionalities can result in contractionary policies that cause deflation of economic activity especially in the developing economies whose institutions are weak. The IMF stabilization policies are also criticized by Joseph Stiglitz who states that the Fund in the past has focused on fiscal austerity and liberalization without paying enough attention to country-specific institutional conditions.[12] In this view, policy prescriptions which target macroeconomic stabilization can contribute to the amplification of social and economic weaknesses, even when they are not complemented by structural reforms. These discussions underscore one major contradiction in the literature, namely, although IMF programs are effective in terms of managing short-term balance-of-payments crises, their effectiveness in terms of creating sustainable economic transformation is controversial.

Pakistan's Fiscal Challenges and IMF Engagement

The interconnection of the IMF and Pakistan has been a topic that has seen a lot of research by scholars and policy analysts. It has been a member of the IMF since 1950, having been under several stabilization programs in an attempt to correct fiscal deficits and external financing shortfalls in the country.[13] Husain argues that the economic framework of Pakistan has been historically an elitist state model where economic policies have favored small groups of interests and does not allow the mobilization of revenues through broad measures.[14] Consequently, the nation has not been able to have a viable tax base which can be used to fund the government spending. The reports of the World Bank and IMF also list the weak taxation administration and the limited tax base as the key fiscal difficulties in Pakistan. Historically tax-to-GDP ratios are some of the lowest in the developing world, with the range of their variations being between 9 and 12 percent.[15] This is because this low revenue level limits the government to fund development expenditure activities without external borrowing.

Structural issues have also cropped up as a great challenge in energy sector inefficiency. The presence of circular debt in the electricity sector in Pakistan is indicative of losses incurred through tariff distortions, transmission inefficiencies and bad governance in distribution companies.[16]Such financial losses put a lot of burden on the national budget and lead to increased public debt. The other significant fiscal weakness is the performance of state owned enterprises (SOEs). Pakistan has seen many state-owned organizations such as the Pakistan International Airlines and Pakistan Railways make huge losses because of bad management and political interference.[17] Such losses often lead to government bailouts to widen fiscal deficits. These structural weaknesses have enhanced dependence on the external financial aid by Pakistan. IMF programs have been employed severally to stabilize the macroeconomic conditions, yet fundamental fiscal constraints still remain unsolved.

Political Economy of Economic Reform in Pakistan

Some of the scholars believe that the economic difficulties of Pakistan cannot be captured comprehensively without a study of the political economy of the reforms realization. The most politically challenging decisions that are often needed in economic reform include subsidies reduction, tax growth and reorganizing the institutions of the public sector. Burki points out that economic reform has always been compromised in Pakistan by political instability in the country.[18] The 1990s witnessed inconsistent implementation of various policies due to changes in government and this has made IMF programs to be repeatedly suspended. In the same way, a study by Easterly indicates that the developing nations are usually unable to undertake long-term economic reforms because of poor institutional capacity and governance limitations.[19] In the case of Pakistan, policy discontinuity and opposition to taxation reforms by the elite has been a major cause of poor policy of fiscal restructuring in this country. The literature thus brings out the fact that tax restructuring is not only an economic issue, but also a political issue. Institutional continuity, robust governance institutions and expansive political agreement are necessary to introduce and implement successful reforms.

Structural Transformation and Export Diversification

The other significant school of thought is the role of structural transformation in attaining sustainable economic development. Development economists hold that in the long-run, fiscal stability is pegged on the ability of a nation to grow exports, expand productivity and diversify its economy. Rodrik also claims that export diversification and industrial transformation are the key to long-term economic development in the developing world.[20] The economy that continues to rely on limited scope of exports is especially exposed to external shocks and trade imbalance. The export structure of Pakistan has in the past been confined to low-value textile products inhibiting its capacity to earn enough foreign exchange income.[21] In the meantime imports, especially of energy and machinery, remain larger than exports and produce permanent trade deficit. New development policies focus on the need to increase high-value exports including information technology services, agro-processing and mineral resources. The sectors can earn more foreign exchange and lessen on the reliance of Pakistan on external borrowing.

International Experiences of IMF Exit Strategies

The comparative experience of other countries gives good evidence on how nations can come out of the long IMF dependency. The example of Brazil is especially applicable. In the 1980s and 1990s, there was extreme macroeconomic turmoil and hyperinflation in Brazil. Nevertheless, the economy was stabilized successfully in the year 1994 with the introduction of the Real Plan and institutional reforms in conjunction with fiscal discipline.[22] Inflation had dropped significantly and in 2005, Brazil ended up paying its IMF loans earlier than it was due. One of the major factors that made Brazil successful was the implementation of the Fiscal Responsibility Law in 2000 that placed strict restrictions on government borrowing and legalized fiscal transparency. [23] Moreover, such social programs as Bolsa Familia were used to soften the social consequences of the economic reforms and assure political support. The experience shows that the strategies of long-term fiscal restraint, institutional reform and social protection systems can put nations on the path of shifting IMF dependency to economic sovereignty.

Research Gap

Even though the available literature offers rather comprehensive discussion on IMF programs and fiscal problems in Pakistan, there are a number of critical gaps. To start with, a major part of the study is more oriented towards the short term macroeconomic results of IMF stabilization facilities as opposed to analyzing the long term structural reforms that are required to enable the sustainable fiscal autonomy. Second, little consideration has been placed on the development of multiple policy aspects, such as fiscal governance, export diversification, energy reform and human capital development, in the overall system of economic changes. Third, the international exit strategies have little comparative analysis as the debates in the economic policy of Pakistan. Experiences gained in other countries that were able to minimize their reliance on IMF programs have not been systematically integrated into the research on Pakistan. This paper attempts to fill these gaps by integrating historical discussion of the IMF involvement in Pakistan and comparing it to the international experience in an attempt to come up with a detailed road map on how to attain fiscal sustainability and economic independence.

Theoretical Framework

The theoretical basis of this study is mainly based on the structuralist development theory and the fiscal sustainability theory. The structuralist development theory points to the fact that sustainable economic growth should structurally transform the economy by industrialization, export diversification and institutional reform.[24] This school of thought holds that macroeconomic stabilization per se is not enough to guarantee long-term development unless they are supplemented by modifications in the production system and economic governance. The fiscal sustainability theory also points out the significance of having a steady relationship between the government revenues, expenditures and the level of government debt.[25] Those nations that do not increase their income base and regulate their state expenditure finally experience the debt crisis and the pressure to finance their operations. Through the synthesis of these theoretical views, the current research paper will explore how structural economic reforms and enhanced fiscal governance can assist in shifting the Pakistani economy out of crisis-based stabilization-oriented policies and into the realms of economic stability.

Research Methodology

The research design presented in this study is qualitative and descriptive research design in order to analyze the long-term fiscal problems that Pakistan faces and the recurrent use of International Monetary Fund (IMF) programs to address these issues. The aim of the study is to examine the structural vulnerabilities in the fiscal system of Pakistan and to discuss the possible policy measures, which would help the nation to slowly tap out of the IMF financial aid. Since the policy and institutional structure of the developed economies is macroeconomic policy-related, the paper is more of secondary data analysis and policy review than experimental or survey research. The study is based on case study research design whereby Pakistan will be the main case under analysis. Pakistan is a case of particular interest since this state has been subjected to numerous IMF stabilization programs since 1958, many of which were usually the reaction to the sudden balance-of-payments crises and fiscal imbalances in the country.[26] Through the analysis of fiscal policies, debt trends and reform initiatives of the Pakistani government in the past, the study will seek to understand the structural forces that continue to draw the Pakistani country to the IMF and long-term policy options that would enhance fiscal sustainability.

The paper is based on the secondary data gathered using credible international and national sources. These factors consist of reports and data of the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB), the State Bank of Pakistan and the Ministry of Finance in Pakistan. The IMF Article IV consultation reports, Pakistan Economic Surveys and fiscal policy statements are some of the key documents that give detailed information on the macroeconomic indicators like fiscal deficits, tax revenues, public debts, external borrowing and balance-of-payments trends.[27] The review of academic literature, policy papers and economic research reports also helped to give a contextual and analytical insight into the issues of fiscal policy and reform in Pakistan and efforts of the government.

The analysis of the data was conducted based on the long-term macroeconomic behaviour and the assessment of policy reform in different IMF programs. Special emphasis was placed on such indicators like tax-to-GDP ratio, the level of fiscal deficit, the accumulation of the public debt and the level of external financing demand of Pakistan. The study measures the effectiveness of these reforms in addressing the structural fiscal weaknesses in Pakistan through trend analysis and policy evaluation and whether further institutional reforms are necessary.

Theoretical views that are applied in this research involve fiscal sustainability and debt dependency. The fiscal sustainability theory proposes that the governments should ensure that the level of debt is kept constant with the economic output, to prevent the recurring fiscal crisis.[28] The theory of debt dependency further expounds that third world nations can be trapped into the cycle of external borrowing due to home structural bottlenecks that fail to enable them to produce enough revenue or export earnings to pay back the debts.[29] These models are useful in making sense of the fiscal trend in Pakistan and an assessment of the success of previous stabilization efforts. Although, the study gives a comprehensive study of the policy, some limitations should be noted. The study is mainly based on secondary data and reports published which might not accurately reflect real-time political and institutional processes affecting fiscal policymaking. There are also external factors that tend to influence macroeconomic outcomes, e.g. global economic conditions, fluctuations in commodity prices and geopolitical events that can make it difficult to assess policy effectiveness. Even with these shortcomings, the overall study is academically rigorous and transparent because of the use of reputable data sources and the existing analytical frameworks.

Findings and Analysis

Pakistan's Recurring Dependence on IMF Programs

Among the most important discoveries of this paper is that Pakistan continues to depend on IMF financial support to overcome the macroeconomic crisis. In the past, the nation of Pakistan has been registered in excess of twenty IMF programs since 1958; it is one of the most recurrent borrowers of the International Monetary Fund.[30]

These programs have mostly been launched when there is a balance-of-payments crisis, dwindling foreign exchange reserves and a growing fiscal deficit. Whereas, IMF programs do temporarily stabilize the economy by financing the country externally, reforming the policies; the analysis shows that the interventions do not generate long-term fiscal stability.

Table 1: Selected IMF Programs in Pakistan

Year	IMF Facility Type	Key Objective
1988	Structural Adjustment Facility	Fiscal stabilization
2001	Poverty Reduction and Growth Facility	Economic reforms
2013	Extended Fund Facility	Balance-of-payments support
2019	Extended Fund Facility	Fiscal consolidation

Source: International Monetary Fund Program Reports[31]

The results are indicative of the fact that the repetitive involvement of IMF programs illustrates the structural flaws in the fiscal and economic system of Pakistan and not a case of transitory macroeconomic shocks.

Persistent Fiscal Deficits

The other important discovery of the research is the long-term deficit in the Pakistani economy. The government spending has always been more than the revenue collection and the state has to depend on high domestic and external borrowing.

According to the recent fiscal data, the budget deficit of Pakistan has been many times higher than 67 percent of GDP in a number of fiscal years.[32] The excessive expenditure on defense, subsidies in the energy sector and servicing of debts play a big role in this fiscal imbalance.

Table 2: Fiscal Deficit Trends in Pakistan

Fiscal Year	**Fiscal Deficit (% of GDP)**
2018–19	8.9%
2019–20	8.1%
2020–21	7.0%
2021–22	7.9%

Source: Pakistan Economic Survey and Ministry of Finance Data[33]

The fact that these deficits have not been eradicated means that the current fiscal policy framework in Pakistan is not sustainable and the government has to keep borrowing funds in order to finance its expenditure.

Low Tax-to-GDP Ratio

According to the research, the tax-to-GDP ratio is also one of the lowest in Pakistan, as compared to the emerging economies. History shows that the amount of taxes collected in the country has been fluctuating between 9 and 11 percent of the GDP total, which is a very low figure in comparison to the average in developing economies.[34]

Such a poor revenue base is a grave hindrance to the government funding of the public expenditure without going to the lender.

Table 3: Tax-to-GDP Ratio Comparison

Country	**Tax-to-GDP Ratio**
Pakistan	9–10%
India	17–18%
Turkiye	20%
OECD Average	34%

Source: World Bank and IMF Fiscal Data[35]

The reasons that lead to low tax revenue in Pakistan are related to various structural factors and they include:

- A narrow tax base.
- Huge informal economic activity.
- Weaknesses in the administration of taxes.

- Extensive tax exemptions.

According to the findings, mobilization of domestic revenue is among the main causes of fiscal instability in Pakistan.

Rising Public Debt

Another issue portrayed in the analysis is that the public debt levels in Pakistan have grown enormously in the last 20 years. The reliance on persistent fiscal deficits and an increasing amount of external financing needs have increased government borrowing. The government debt in Pakistan has surpassed 70 percent of the GDP and this has cast doubt regarding the long-term financial sustainability of this country.[36] The government is now spending a huge percentage of its revenue in payment of debt and has minimal fiscal space to spend on development.

Table 4: Pakistan's Public Debt Indicators

Indicator	Value
Total Public Debt	Over 70% of GDP
External Debt	Over $120 billion
Debt Servicing Share	More than 50% of government revenue

Source: State Bank of Pakistan and Ministry of Finance Reports.[37]

These figures highlight the increasing pressure on Pakistan's fiscal system and demonstrate the risks associated with prolonged debt accumulation.

Structural Weaknesses in the Energy Sector

The other significant conclusion of the research is associated with the fact that the energy sector is financially ineffective and, in particular, the issue of circular debt. As indicated in the analysis, the power sector has sustained losses that have assumed a huge financial responsibility on the fiscal status of the government.

The circular debt in the energy sector in Pakistan has surpassed PKR 2.6 trillion with most of this being attributed to energy wastage through transmission losses, electricity theft as well as slow adjustment of tariffs.[38]

Table 5: Energy Sector Financial Indicators

Indicator	Estimated Value
Circular Debt	PKR 2.6 trillion
Transmission Losses	17–18%
Power Sector Subsidies	Significant fiscal burden

Source: Government of Pakistan Energy Sector Reports[39]

These inefficiencies have forced the government to provide subsidies and financial support to power sector entities, further worsening fiscal deficits.

External Vulnerabilities and Balance-of-Payments Pressures

This is also demonstrated in the findings that focus on the structural external weaknesses of Pakistan. Balance-of-payments crises in the country are often as a result of:

- High import dependency.
- Poor diversification of exports.
- Increasing external debt liabilities.

The existing exports of Pakistan are still focused on the low-value textile products and this factor does not allow the country to earn adequate foreign earnings. Consequently, the foreign exchange reserves tend to be reduced to critical levels in times of economic shocks and the government has to turn to the IMF.

Overall Implications of the Findings

The results of the research paper indicate that structural fiscal weaknesses are the major factors behind the recurring IMF dependency of Pakistan and not short run economic shocks. The chronic shortages in the state budgets, declining tax revenues, the growth in government debt and inefficiency in major sectors of the economy all are causes of macroeconomic instability. These findings are in line with the research argument that Pakistan needs sustainable fiscal reform, better mobilization of revenue and structural economic change in order to leave the IMF debt cycle. Devoid of solutions to these challenges in the background, Pakistan is bound to go on depending on foreign financial aid to cope with periodic economic crises.

Discussion

The results of this research indicate that Pakistan's fiscal problems are of structural character and can respond to the main research question: why does Pakistan find itself in a vicious circle of IMF programs and what structural changes are required to eliminate this cycle. The findings indicate that the reliance by Pakistan on the International Monetary Fund is not necessarily due to the occurrence of short-term shocks in the macroeconomic environment, but instead because of the structural institutional and fiscal flaws. The chronic fiscal deficit that has been a hallmark of the Pakistan economy in the past few decades is one of the most important discoveries. The spending on the part of the government is always more than the amount collected in taxes and this results in structural imbalance compelling the state to borrow both internally and externally. As the information provided in the above chapter reveals, the fiscal deficit of Pakistan has often been exceeding 7 percent of GDP over the last few years.[40] This tendency indicates a lack of fiscal discipline and management of the funds of the populace. Regarding the fiscal sustainability theory, the constant deficit of such scale predetermines the probability of debts build-up and financial instability, which results in the probability of external assistance programs.

The other important observation is associated with the low tax-to-GDP ratio of Pakistan, which consistently stays on the lowest level as compared to similar developing economies. Although reforms have been made several times, tax revenue collection has not exceeded 11 percent of GDP.[41] This finding is congruent with past studies that indicate that low revenue collection ability by the country could be attributed to narrow tax base, extensive tax exemption and high informal sector. The results thus support the claim in the literature that in reforming fiscal sustainability in Pakistan, the underlining reforms in the tax policy and the administration has to be at the forefront of reforms.

It is also noted in the analysis that the public debt has grown at a rapid rate and it is now over 70 percent of the GDP in the past few years.[42] Increased levels of debts limit the fiscal space of the government critically, since a significant percentage of the government revenue is used in servicing the debt. This relationship supports the debt dependency model described in the literature review that can motivate why developing economies can be stuck in the rut of borrowing when domestic fiscal strength is still strong. In the case of Pakistan, the growing debt burden restricts the government to invest in productive areas of the economy like infrastructure, education and development of industries.

The other important aspect found in the findings is the financial inefficiency of the energy sector which is also the accumulation of circular debt. The government has been faced with huge financial burdens due to persistent transmission losses, delays in adjusting the tariffs and inefficiency in the process of running power distribution companies.[43] Those inefficiencies strain the budgets of the populations even more and add to the increasing fiscal shortfall. Reform of these structural issues in the energy sector thus is one of the main elements of a long-term fiscal reform strategy. The research also validates the fact that Pakistan's external sector vulnerabilities are very important in catalyzing IMF programs. Lack of diversification in exports and strong dependence on imports of energy and industrial inputs often creates pressures on balance-of-payments. In the case of a drop of the foreign exchange reserves to critical levels, the IMF usually becomes the lender of last resort by the government. This trend would prove that fiscal sustainability, trade performance and external financing requirements are closely related.

All in all, the results indicate that the IMF dependency cycle in Pakistan can only be broken by any means of overhauling the structure and not by momentary measures to stabilize it. The necessary policies to achieve long-term macroeconomic stability include broadening the tax base, enhancing fiscal governance, reorganizing the state owned enterprises and enhancing the competitiveness of the exports. Future studies can also discuss the political and institutional limitations that affect the execution of such reforms and the experience of other emerging economies that have already managed to decrease the dependence on IMF help successfully.

Conclusion

This paper has analyzed the history of Pakistan being dependent on the International Monetary Fund (IMF) and how the structural fiscal problems continue to make the country depend on the IMF. The discussion shows that the IMF programs have not been a fleeting action of the Pakistani government in response to the external transactions, but instead, it is indicative of institutional and fiscal inefficiency. The fiscal sustainability of the country is negatively affected by chronic fiscal deficits, narrow tax base, increasing debt load of the population and inefficiencies in the key sectors of energy, state-owned enterprises among others. Also, weak diversification of exports and exposure to externalities aggravate balance-of-payments stress, which requires a repetitive use of IMF financial support. These results highlight the importance of extensive structural adjustments that support macroeconomic imbalances as well as institutional limitations that prevent sustainable economic growth.

This study has far-reaching implications. To begin with, short-term stabilization schemes cannot make fiscal sustainability in Pakistan possible. Although IMF programs may have a short-term effect of restoring macroeconomic stability, it fails to address the structural problems that trigger new crises. Second, poor domestic revenue mobilization constrains the ability of the government to finance the development priorities on its own and thus resulting in borrowing and debt piling. Third, the presence of structural inefficiency within various sectors, especially the energy sector, means that the sector is a financial liability that imposes repeated financial burdens that further limit the flexibility of policies. Lastly, the paper identifies the interrelationship between fiscal management and the overall economic policy, such as industrialization, diversifying exports and institutional governance.

Recommendations

The research suggests a policy agenda based on these findings to end the pattern of IMF dependence in Pakistan and enhance fiscal sustainability:

- **Improve Revenue Mobilization**: Adopt thorough tax reforms to expand the tax base, cut tax exemptions and improve tax collection. The use of digital tax collection systems and the expansion of indirect and direct tax compliance can play a great role in enhancing the revenue of the government.
- **Fiscal Discipline and Debt Management**: Build a viable fiscal platform that would not rely on deficit financing by borrowing but put an emphasis on debt restructuring and tighten the belt of governmental expenditures. An approach to manage the increasing debt levels of the populace should be the medium-term debt management strategy.
- **Reform in the Energy Sector**: Reform circular debt by reorganizing the government to handle the power sector, increase operational efficiency and adjust tariffs to reflect the cost recovery. Fiscal pressures can be mitigated by investing in renewable energy and modernized transmission infrastructure that would enhance energy security.
- **Export Diversification and Industrial Policy**: Foster high value exports, industrial modernization and technological development as a step toward minimizing reliance on imports and maximizing foreign exchange reserves. Sustainable sources of revenue can be established through the use of strategic policies that support information technology, agro-processing and value-added manufacturing.
- **Strengthening of Institutions**: Strengthening of governance, accountability and transparency in managing the public sector. It is important to strengthen institutions that deal with fiscal planning, monitoring and implementation in order to maintain reforms.

- **Future Research Directions**: Future research might investigate the political economy of fiscal reform in Pakistan, how political motivations, opposition by elites and institutional abilities influence policy outcomes. The lessons that may be learned practically can be obtained through comparative studies of countries that have already managed to get out of IMF dependency.

Finally, to end the IMF debt trap, it cannot be done by making such sporadic stabilizing measures; however, it should be a concerted plan of structural adjustment, institutional reinforcements and financial restraint. When well-practiced, these actions would help Pakistan to gain economic sovereignty, minimize susceptibility to external shocks and sustainable development.

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AFGHAN REFUGEES IN PAKISTAN: SOCIO-ECONOMIC, POLITICAL AND NATIONAL SECURITY IMPLICATIONS

Imran Afzal, Syed Kashif Ali Zaidi, Waqar Ahmed Awan, Hamid Ali Khan, Zaid Bin Maqsood

Abstract

Pakistan has hosted Afghan refugees for over four decades, managing one of the most prolonged displacement situations in the contemporary international system. What began as a humanitarian response has, over time, evolved into a complex challenge involving socio-economic pressures, political tensions and internal security risks. In Pakistan's case, the persistence of undocumented migration, identity fraud, urban congestion and cross-border militancy has steadily shifted refugee management from a welfare concern to a security-centred policy domain. This article examines the Afghan refugee issue through historical, legal-policy, socio-economic and national security perspectives, tracing how successive phases of displacement reshaped Pakistan's response. It argues that the Illegal Foreigners Repatriation Plan (IFRP) represents a decisive assertion of state authority, but also exposes legal, humanitarian and diplomatic constraints that cannot be addressed through enforcement alone. Drawing on comparative experiences and regional dynamics, the paper proposes a phased and differentiated framework that balances security imperatives with humanitarian safeguards and international burden-sharing. A structured governance approach, rather than ad hoc tolerance or abrupt removal, remains essential for a sustainable resolution.

Keywords: Afghan Refugees, Pakistan National Security, IFRP, Refugee Governance, Border Management, Regional Security.

Introduction

Refugee movements remain a persistent feature of the contemporary international system. From the Middle East to Africa and Europe, large-scale displacement continues to test the political, social and security capacities of host states. In Pakistan's case, however, the Afghan refugee experience stands apart in terms of scale, duration and complexity. Since the Soviet invasion of Afghanistan in 1979, Pakistan has hosted millions of Afghan nationals, making it one of the most prolonged refugee situations globally. Over time, this presence has become deeply embedded within the country's socio-political fabric, economic management and national security outlook.

For Pakistan, the refugee issue is no longer confined to humanitarian considerations. The prolonged and largely unmanaged presence of Afghan refugees has created pressures across border governance, identity systems, labor markets and urban infrastructure. More importantly, it has introduced law and order concerns ranging from documentation fraud to cross-border mobility risks and exploitation by criminal and militant networks. As these dynamics accumulated, refugee management gradually shifted from a welfare-oriented approach to a core internal security concern.

Pakistan's policy response has not been static. It has oscillated between accommodation and control, often shaped by developments inside Afghanistan and shifts in international engagement. Yet a consistent limitation remains the absence of a coherent long-term framework. The IFRP marks a decisive attempt to reassert regulatory authority. Even so, experience suggests that enforcement alone cannot deliver sustainable outcomes. A sequenced and differentiated approach; beginning with undocumented migrants and extending to registered populations, appears more viable, particularly when supported by credible documentation systems and external burden-sharing.

This article examines the Afghan refugee issue through historical, socio-economic, political and security lenses. It situates Pakistan's experience within broader regional and international patterns and proposes policy directions aimed at balancing national security imperatives with humanitarian responsibility and long-term stability.

Evolution of the Afghan Refugee Presence and Pakistan's Legal–Policy Framework

Historical Evolution of the Afghan Refugee Presence (1979–2025)

Pakistan's experience with Afghan refugees reflects a long and uneven trajectory shaped by conflict cycles in Afghanistan and shifting domestic priorities. While often described in broad phases, a closer examination suggests that developments after 1989, and particularly after 2001, introduced distinct dynamics that warrant separate analytical treatment.

The first phase (1979–1989) emerged during the Soviet invasion of Afghanistan. Pakistan received millions of refugees, largely settled in Khyber Pakhtunkhwa and Balochistan, supported by extensive international assistance. At the time, the influx was framed through Islamic solidarity and Cold War alignment, with little expectation that displacement would become protracted.

The second phase (1989–2001) followed the Soviet withdrawal and Afghanistan's internal fragmentation. Civil war and later Taliban consolidation sustained refugee flows, while voluntary repatriation remained limited. Refugee settlements began transitioning from temporary camps into more durable communities and early signs of socio-economic and governance pressures started to emerge.

The third phase (2001–2014) marked a significant shift. The U.S.-led intervention and the fall of the Taliban created conditions for large-scale repatriation, with millions returning under UNHCR-supported programmes. However, these returns proved only partially durable. Continued instability inside Afghanistan, combined with fresh inflows, meant that a substantial refugee population remained in Pakistan. During this period, urban migration accelerated and policy discourse began to reflect concerns about economic burden and emerging security risks.

The fourth phase (post-2014 to 2025) represents a clear transition toward securitization. Rising militancy, cross-border tensions and the eventual Taliban return in 2021 reinforced perceptions of refugee presence as a security challenge. Pakistan's response increasingly emphasized border control, documentation and repatriation. By the mid-2020s, the refugee population (estimated at over three million) was viewed less as a temporary humanitarian concern and more as a structural issue linked to internal stability.

Taken together, these phases illustrate a gradual but decisive shift: from hospitality rooted in geopolitical and religious considerations to a policy framework shaped by governance capacity, economic strain and national security imperatives

Legal and Policy Framework Governing Afghan Refugees

Pakistan's management of Afghan refugees has relied on a combination of domestic legislation, administrative instruments and international cooperation arrangements. However, these mechanisms have remained fragmented and reactive, falling short of a comprehensive refugee governance framework.

At the international level, Pakistan is not a signatory to the 1951 Refugee Convention or its 1967 Protocol.[1] While this non-signatory status has afforded policy flexibility, it has also institutionalized legal ambiguity regarding refugee rights and state obligations. In practice, Pakistan has engaged with international refugee governance through cooperative arrangements rather than treaty commitments. These include the 1993 Cooperation Agreement with UNHCR, which established modalities for registration and assistance; the Tripartite Agreement between Pakistan, Afghanistan and UNHCR,[2] providing a framework for voluntary repatriation; and the Solutions Strategy for Afghan Refugees (SSAR), which linked repatriation with regional development support and burden-sharing.[3] Despite their utility, these mechanisms have offered only partial and temporary solutions.

Domestically, the Foreigners Act of 1946 remains the principal legal instrument governing non-citizens, under which Afghan refugees are formally treated as "foreigners."[4] Refugee status determination has effectively been delegated to UNHCR, creating a dual-track system that combines international recognition with domestic legal exclusion. The Pakistan Citizenship Act of 1951, while defining citizenship by birth, explicitly excludes Afghan refugees, including those born in Pakistan, from automatic naturalization.[5] Administrative tools such as the Proof of Registration (PoR) cards and later the Afghan Citizen Cards (ACC) introduced a degree of documentation and control, but did not confer durable legal status.[6,7] Large segments of the Afghan refugees consequently remained undocumented, reinforcing cycles of vulnerability and enforcement-driven policy responses.

Policy Trajectory and Structural Gaps

Pakistan's refugee policy trajectory reflects a gradual transition from ideological hospitality to security-centric management. While registration initiatives and repatriation agreements provided short-term administrative order, the absence of a dedicated refugee law and long-term integration or exit strategy entrenched uncertainty. The launch of the IFRP highlights the limitations of piecemeal tools and marks an effort to restore state authority over migration governance. However, without a sequenced, legally grounded and internationally supported framework, the refugee issue risks continuing as a source of socio-economic strain and internal security pressure.

Socio-Economic and Political Implications

The prolonged Afghan refugee presence in Pakistan has evolved from an emergency humanitarian response into a complex socio-economic and political challenge with direct implications for state capacity and internal stability. By the mid-2020s, an estimated 3–4 million Afghan nationals (including registered refugees, Afghan Citizen Card holders, undocumented migrants and post-2021 arrivals) were dispersed across the country, with heavy concentration in Khyber Pakhtunkhwa and Balochistan and significant urban settlement in Karachi, Islamabad and Rawalpindi. In practice, available government and UNHCR data indicate that a majority of Afghan refugees are concentrated in Khyber Pakhtunkhwa, amplifying localized pressure on governance systems.[8] This scale and dispersion have placed sustained strain on already fragile service-delivery structures, embedding the refugee issue firmly within Pakistan's national interest debate.[9]

Economic Implications

Over time, Afghan refugees have transitioned from camp-based settlements to urban and peri-urban environments, accelerating unplanned urbanization. In cities such as Peshawar and Quetta, field reporting indicates that rents in refugee-concentrated localities have risen disproportionately compared to surrounding areas, contributing to housing stress among lower-income Pakistani households. Informal settlements continue to expand, often beyond municipal regulation, placing additional pressure on water supply, sanitation and waste management systems.[10]

In labor markets, Afghan refugees are deeply embedded within Pakistan's informal economy, particularly in construction, transport, daily wage labor, carpet weaving and scrap trading. Estimates suggest that a significant proportion of Afghan workers operate outside formal taxation and regulatory frameworks, which, while contributing to economic activity, also limits state revenue capture. At the same time, their presence in low-skill sectors has intensified competition, with localized evidence pointing to downward pressure on wages in informal labor segments, reinforcing perceptions of job displacement among host communities.[11]

Public health and education systems in refugee-hosting areas have borne a disproportionate burden. Healthcare facilities in Khyber Pakhtunkhwa and Balochistan report that a notable share of patients in public hospitals comprises Afghan nationals, contributing to overcrowding and resource diversion.[12] Similarly, in several districts, school enrollment data indicates overcrowded classrooms where refugee children constitute a substantial proportion of students, straining educational infrastructure.[13] Although international assistance has offset some of these costs, declining donor support has shifted the long-term burden onto Pakistan. Official estimates place cumulative refugee-related expenditures at over USD 150 billion since 1979, far exceeding external assistance received.[14]

Social Implications

A defining feature of the protracted refugee situation is the emergence of a second-generation refugee population. Millions of Afghans born and raised in Pakistan remain legally stateless; excluded from citizenship, formal employment, higher education and property ownership. In Pakistan's case, informal estimates suggest that a majority of long-term Afghan residents now belong to this second-generation cohort, intensifying identity-related challenges. Many identify with neither Afghanistan nor Pakistan, reflecting a deepening sense of social liminality.

Marginalization and restricted mobility have, in some cases, incentivized the acquisition of fraudulent documentation.[15] Law enforcement reporting has periodically highlighted instances of illegal CNIC acquisition, raising concerns about identity management and governance integrity. At the same time, persistent social exclusion has heightened vulnerability to exploitation. Refugee settlements characterized by poverty, limited educational access and weak state presence are often identified as at-risk environments for criminal and extremist recruitment, particularly in conflict-adjacent regions. Competition over scarce resources; housing, employment, healthcare and education, has further intensified resentment within host communities. In urban centers and mixed-ethnicity regions, refugee presence has occasionally sharpened ethnic and social fault lines. This is particularly evident in areas where demographic shifts are pronounced, contributing to localized tensions and periodic unrest and reinforcing demands for stricter regulatory measures.

Political Implications

The refugee issue has become increasingly politicized within Pakistan's domestic discourse. Allegations of illegal voter registration and demographic manipulation have surfaced intermittently, especially in refugee-hosting constituencies. [16] While verified data remains limited, official concerns regarding documentation integrity and electoral roll accuracy have been raised at multiple levels, reflecting the political sensitivity of the issue.

Political actors have alternated between humanitarian and securitized narratives, often instrumentalizing refugee presence for populist purposes. This oscillation has contributed to policy inconsistency, creating uncertainty for both refugees and host communities. More importantly, refugee management has become intertwined with Pakistan's broader strategic posture toward Afghanistan. Decisions regarding registration, repatriation and enforcement increasingly carry diplomatic implications, reinforcing the linkage between domestic policy and regional stability.

Integrated Assessment

The socio-economic and political dimensions of the Afghan refugee presence are closely interlinked. Economic pressures feed social resentment; social marginalization creates conditions for political exploitation; and politicized decision-making shapes the trajectory of repatriation and bilateral engagement. In effect, refugee management in Pakistan can no longer be treated as a sectoral or humanitarian issue alone. It represents a structural challenge with direct implications for internal security, governance legitimacy and regional diplomacy.

Law, Order and National Security Challenges

In Pakistan's case, the security dimension of refugee management has evolved unevenly over four decades. While early refugee inflows were managed through adhoc accommodation, the cumulative impact of undocumented settlement, weak border controls and regional militancy gradually reframed refugee management as a core internal security concern. This shift reflects not a single policy decision, but a layered evolution shaped by crime, militancy and state capacity constraints.

From the outset, porous borders and the absence of systematic registration enabled the emergence of an illegal spectrum encompassing undocumented residence, unregulated trade, arms proliferation and narcotics trafficking.[17] Refugee settlements particularly in Khyber Pakhtunkhwa and Balochistan often developed beyond effective state oversight, creating governance gaps and localized law-and-order challenges. Although the vast majority of refugees remained non-violent, the association of camps and informal settlements with illicit activity established enduring security perceptions. Following 2001, large-scale urban dispersal intensified these dynamics. Afghan refugees increasingly settled in major cities such as Karachi, Quetta and Peshawar, intersecting with existing criminal economies. Identity and documentation fraud became a significant vulnerability, with illegally obtained Pakistani identity cards undermining population records, electoral rolls and policing databases.[18] Law-enforcement agencies repeatedly linked certain refugee-concentrated localities to narcotics trafficking, extortion and organized crime, further securitizing the policy discourse.

Militancy concerns deepened during this period. Security assessments argued that transnational militant groups; including Al-Qaeda and later Tehreek-e-Taliban Pakistan (TTP) exploited refugee flows and informal settlements for concealment, facilitation and cross-border mobility.[19] High-profile terrorist incidents, including attacks on civilian and security targets, reinforced official narratives that unregulated refugee presence amplified internal security risks. While independent analysts caution against collective attribution, the cumulative effect was a steady hardening of state attitudes. Notably, these concerns are not uniform across all refugee populations, but they have nonetheless shaped official threat perceptions.

Since 2021, the refugee issue has moved decisively to the center of Pakistan's national security framework. The Taliban's return to power in Kabul coincided with renewed inflows and heightened concern over cross-border militancy, financial crime and economic leakage. Pakistani authorities increasingly identified currency smuggling and hawala networks linked to Afghan transit as contributors to dollar shortages, prompting coordinated enforcement actions.[20] Refugee management was no longer treated as a social policy challenge, but as a security and economic stabilization imperative.

The role of Afghanistan's governing authorities has further shaped this securitization. Previous Kabul governments offered limited cooperation on refugee return and cross-border crime control. Since 2021, the Taliban's Interim Afghan Government has exercised firmer territorial control but has been accused by Islamabad of tolerating TTP elements hostile to Pakistan. Kabul's rejection of these allegations has reinforced mistrust, narrowing space for cooperative refugee management and strengthening Pakistan's preference for unilateral enforcement.

This security reorientation is reflected in Pakistan's evolving policy architecture. While the National Action Plan (2014) focused primarily on counterterrorism, subsequent frameworks including the Revised NAP (2021), National Internal Security Policy and National Security Policy (2022–2026) explicitly incorporated illegal migration, documentation fraud and border management as security priorities.[21] Measures such as extensive border fencing, the One-Document Regime, biometric exit verification and integration of refugee data with national identity systems signal an effort to restore state control over mobility and residency. This shift did not occur abruptly; rather, it reflects a cumulative reassessment of risk over time.

Within this framework, the IFRP represents the operational culmination of Pakistan's securitized refugee policy. Launched in late 2023, the plan prioritized the removal of undocumented migrants and progressively expanded to other categories.[22] By mid-2025, more than 1.2 million Afghans had exited Pakistan under various phases of the programme. The scale and speed of implementation underscore the state's resolve to close a protracted chapter that it increasingly views as incompatible with internal security and economic stability.

At the same time, the IFRP has exposed enduring dilemmas. Mixed-nationality families, vulnerable populations and third-country resettlement backlogs complicate enforcement-driven approaches. International scrutiny regarding non-refoulement and due process has also required careful calibration to preserve Pakistan's diplomatic space. These challenges highlight the limits of enforcement alone and underscore the need for predictable safeguards and coordination mechanisms, even within a security-centric policy.

Taken together, illegal activity, law-and-order stress and militancy concerns form overlapping layers of a single security challenge. Weak regulation fuels criminal networks; criminal economies intersect with militant facilitation; and regional instability constrains cooperative solutions. Pakistan's current trajectory reflects a strategic decision to prioritize enforcement and repatriation, signaling a decisive shift from tolerance to control. Whether this approach delivers durable security outcomes will depend on its ability to balance firmness with legal clarity, humanitarian safeguards and regional diplomacy.

These patterns highlight a persistent gap between enforcement measures and systemic control. In practice, fragmented documentation regimes, uneven border management and weak coordination across institutions have allowed illegal mobility and security vulnerabilities to persist. This underscores the need for an integrated, centrally coordinated framework that combines identity management, border governance and phased repatriation.

Comparative and International Perspectives

Pakistan's management of Afghan refugees cannot be assessed in isolation from the broader regional and international context. Donor behavior, host-country models, Afghanistan's governing authorities and refugee agency collectively shape the policy space within which Islamabad operates. Comparative experiences highlight that prolonged refugee hosting, even under humanitarian frameworks, eventually gives way to conditionality, securitization, or negotiated burden-sharing.

Comparative Host-State Models

Iran's approach offers a regional parallel marked by early formal recognition followed by progressive restriction. As a signatory to the 1951 Refugee Convention, Iran granted Afghan refugees regulated legal status, primarily through urban accommodation and periodic regularization schemes.[23] Over time, however, mounting economic pressure led Tehran to impose movement restrictions, designate exclusion zones and curtail access to public services. Iran's trajectory illustrates that even rights-based recognition does not translate into indefinite accommodation; instead, it evolves toward controlled residency tied to state capacity and domestic tolerance.

Türkiye and Jordan demonstrate how refugee hosting can be converted into structured international bargains. Through negotiated compacts with the European Union and international financial institutions, both states linked continued hosting of Syrian refugees to external aid, trade concessions and development financing.[24] These arrangements allowed host governments to manage refugee pressure while externalizing part of the economic cost. In contrast, Pakistan's approach has remained reactive for much of this period, rather than anchored in a negotiated external framework.

Germany's experience reflects the limits of rights-based integration in the face of domestic political pressure. Following the Taliban takeover, Germany admitted thousands of Afghans through evacuation and humanitarian admission programmes, offering residence, welfare and integration support.[25] Yet by 2025, political backlash and administrative strain led to suspension of new admissions and tighter asylum thresholds. The German case underscores a broader trend: liberal admission policies are increasingly reversible when refugee inflows collide with domestic political constraints. Equally important is the political context within host states, which often determines how long such models remain sustainable.

Donor Engagement and International Criticism

International donor engagement with Afghan refugees in Pakistan has declined sharply since 2021. While Cold War and post-9/11 phases attracted substantial assistance, funding has increasingly shifted toward in-country humanitarian support inside Afghanistan.[26] As a result, Pakistan has borne a disproportionate share of hosting costs with limited external compensation. UNHCR remains active in registration, assistance and repatriation support, but donor contributions fall far short of sustaining long-term refugee presence.

Pakistan's recent repatriation initiatives, particularly under the IFRP, have attracted criticism from Western governments and human rights organizations. Concerns regarding non-refoulement, due process and protection of vulnerable groups have placed Islamabad under reputational pressure. This criticism reflects a persistent tension between humanitarian norms and state sovereignty, complicating Pakistan's efforts to justify enforcement-driven policies in international forums.

Refugee Perspectives and Human Impact

Afghan refugee perspectives add an essential dimension to the policy debate. Many refugees view themselves as victims of protracted displacement, caught between insecurity in Afghanistan and diminishing tolerance in host states. Surveys consistently identify security, livelihoods and access to services as major barriers to return, particularly for women and minorities. In Pakistan, reports of discrimination, harassment during enforcement actions and identity crises among stateless youth highlight the human cost of prolonged uncertainty.[27] These experiences amplify international scrutiny and shape the legitimacy of host-state policies.

Afghanistan Factor and Bilateral Frictions

Refugee management has become a persistent source of friction in Pakistan–Afghanistan relations, particularly since 2021. Islamabad argues that successive Afghan governments, including the Taliban's Interim Afghan Government, have shown limited willingness to facilitate durable returns or address conditions that drive outward migration. Allegations of militant sanctuaries on Afghan soil especially linked to the Tehreek-e-Taliban Pakistan further erode trust and narrow prospects for cooperative refugee governance. In this context, refugee policy has become intertwined with broader security and diplomatic disputes.

Recent developments since early 2026, including renewed tensions along the Pakistan–Afghanistan border, further underscore the fragility of bilateral coordination. In practice, recurring border incidents and mutual accusations have reinforced mistrust, limiting prospects for cooperative refugee management and strengthening Pakistan's preference for unilateral, enforcement-driven approaches.

Comparative Assessment

Comparative experience suggests that prolonged refugee hosting is rarely sustained without either structured burden-sharing or progressive restriction. For Pakistan, the absence of a negotiated international compact and declining donor engagement have narrowed policy options, reinforcing the case for a phased, differentiated approach that combines controlled repatriation with limited regularization and external support.

Policy Recommendations

Pakistan's four-decade engagement with Afghan refugees reflects recurring cycles of mass inflows, provisional accommodation and incomplete repatriation, which have cumulatively produced unsustainable socio-economic pressures and mounting security risks. At this stage, Pakistan's policy choices are no longer open-ended. The IFRP represents a decisive policy shift toward enforcement and regulatory control. However, implementation challenges, particularly those related to mixed families, vulnerable groups, third-country resettlement backlogs and international scrutiny, demonstrate that enforcement alone cannot ensure durable stability. Pakistan therefore requires an upgraded, structured and partnership-driven framework that aligns national security imperatives with humanitarian credibility.

Transition from Enforcement to a Phased Governance Framework (IFRP 2.0)

Pakistan should evolve IFRP into a sequenced governance framework that differentiates between categories of foreign nationals rather than treating refugee populations as a homogeneous group. Such an approach would enhance legitimacy, reduce operational friction and improve international defensibility while preserving firm state control.

Centralized Authority with Clear Political Ownership

Refugee management and repatriation should be consolidated under a single, empowered national authority with clear political oversight to eliminate fragmentation across ministries and agencies. Centralization would ensure coherent decision-making, uniform standards and synchronized engagement with provinces, donors and international organizations.

Category-Based Management of Afghan Nationals

A differentiated framework should guide policy implementation across six broad categories:

- Law-abiding economic contributors, eligible for conditional and renewable residency tied to transparent economic contribution and tax compliance.
- Vulnerable groups, including women-headed households, minors, the elderly, persons with disabilities and at-risk minorities, granted temporary protection or prioritized for third-country resettlement.
- Third-country resettlement cases, processed in coordination with UNHCR and donor states to reduce pipeline pressure.
- Registered Afghan refugees (PoR and ACC holders), placed on phased, assisted repatriation schedules with logistical and reintegration support.
- Undocumented non-criminal migrants, encouraged toward voluntary return within defined timelines, followed by expedited removal if non-compliant.
- Criminal elements, identified through intelligence-law enforcement coordination, prosecuted under Pakistani law and deported upon sentence completion.

This differentiation balances security, legality and humanitarian considerations while preserving state authority.

Humanitarian and Legal Safeguards

To maintain domestic legitimacy and international credibility, the repatriation framework must embed visible safeguards, including family unity protections, gender-sensitive procedures, child protection measures and minimum humanitarian standards at registration and transit points. Transparent grievance mechanisms and data accountability will be essential to counter allegations of arbitrariness and abuse.

International Burden-Sharing and Diplomatic Engagement

Pakistan should proactively link repatriation and residual hosting to structured international burden-sharing, engaging donor states, UN agencies and multilateral institutions. Diplomatic outreach should focus on synchronizing repatriation timelines with third-country resettlement pipelines, securing reintegration assistance inside Afghanistan and reframing Pakistan's policy as a regulated transition rather than forced expulsion.

Border Governance and Identity Control

Sustained investment in border fencing, the One-Document Regime and biometric exit verification must continue to prevent recycling of undocumented migration and militant exploitation. Integration of refugee and migration data into national identity systems should remain a cornerstone of long-term internal security. In practical terms, this requires prioritization rather than uniform application.

End-State Objective

The objective of Pakistan's refugee policy should be the orderly closure of a protracted displacement chapter: regularizing a small, law-abiding foreign population; repatriating the majority of Afghan refugees through predictable and humane processes; protecting vulnerable groups responsibly; and neutralizing criminal threats decisively. Institutionalizing this framework would allow Pakistan to reconcile sovereignty, security and humanitarian responsibility in a sustainable manner.

Conclusion

Pakistan's forty-year experience with Afghan refugees illustrates the limits of prolonged humanitarian accommodation in the absence of durable political solutions. While the IFRP marks a necessary assertion of state authority, its long-term effectiveness depends on evolution toward a structured, internationally supported and legally grounded framework. By recalibrating enforcement into phased governance, Pakistan can safeguard national security, restore policy coherence and conclude one of the most enduring refugee situations of the modern era with responsibility and dignity. The challenge, therefore, is not whether Pakistan should act, but how it can do so in a manner that is both sustainable and defensible

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BALOCHISTAN AS A NATIONAL SECURITY CHALLENGE - PAKISTAN'S RESPONSE OPTIONS AFTER AFGHAN TALIBAN TAKEOVER (2021) AND IRAN-ISRAEL CONFLICT (2025)

Muhammad Imran Shafi, Sheraz Iqbal, Taimoor Mahmood, Amir Ali, Chaudry Haroon, Pervez Ahmed, Seyed Navvab Mousavi (Iran)

Abstract

Balochistan occupies a pivotal position in Pakistan's national security calculus owing to its geostrategic location, geo-economic potential and demographic composition. Bordering Iran, Afghanistan and Arabian Sea, and hosting key nodes of CPEC, the province represents both an opportunity and a vulnerability for Pakistan. Despite its vast natural resources, Balochistan continues to experience instability rooted in governance deficits, political exclusion, socio-economic deprivation and persistent insurgency. In recent years, this internal fragility has been compounded by external geopolitical shifts, most notably the Taliban's return to power in Afghanistan (2021) and Iran-Israel confrontation (2025), which have reconfigured regional threat dynamics. This study undertakes a comprehensive analysis of Balochistan's security environment by integrating geography, history, internal dynamics and external influences through multiple theoretical lenses. It argues that Balochistan constitutes a multidimensional national security challenge whose resolution requires a long-term, adaptive and politically grounded strategy rather than episodic security-centric response. The study adopts a qualitative descriptive approach combining documentary analysis, interviews of experts and an online community survey of 100 respondents hailing from 10 districts of Balochistan to assess internal and external drivers of instability. While the evolving US/Israel–Iran conflict of 2026 carries significant implications for regional environment, its outcomes remain unsettled and therefore fall outside the analytical scope of this study.

Keywords: Hybrid Threats, Governance Deficit, Political Marginalization, Protracted Social Conflict, Geo-economics, Counterinsurgency, Regional Geopolitics, State-Society Relations.

Introduction

Balochistan is a paradox of paradoxes, embodied in geography, politics, society and economics. It is Pakistan's largest province by land but sparsely populated; rich in natural resources but exhibiting low human development indicators; a gateway to regional connectivity yet internally disconnected; home to constitutional institutions yet facing profound legitimacy deficits. These paradoxes shape not only the province's internal dynamics but also the future of

Pakistan's regional influence, territorial cohesion and geo-economic aspirations. Unlike previous phases of unrest driven primarily by domestic grievances, the post-2021 environment has transformed Balochistan from a localized insurgency into a node of competing regional and global contestation. The Taliban's rise in Afghanistan provided new sanctuaries for Fitna-al-Khawarij (FAK) and Fitna-al-Hindustan (FAH); fuelled illegal trade and arms flows; while the Iran-Israel conflict spilled instability into Pakistan's western frontier while simultaneously generating new avenues for Pakistan-Iran cooperation. Meanwhile, India continues to employ hybrid strategies to amplify separatist narratives and raise Pakistan's internal security costs.

This study seeks to analyze Balochistan as a critical national security challenge in the evolving regional context. Against this backdrop, the study seeks to answer following research questions:

- What is the core issue of Balochistan which makes it a national security challenge?
- How do Balochistan's geography and history shape its present day realities?
- How has Balochistan security situation evolved post Taliban / Iran-Israel War?
- What should be the way forward to achieve enduring stability in Balochistan?

Research Methodology

Methodologically, the study adopts a qualitative descriptive-analytical approach. Data is drawn from documentary sources, academic literature and policy reports. Additionally, research incorporates input from subject matter experts and stakeholders in 4 x domains i.e. security forces, politicians, intellectuals and youth. An online survey was also conducted in which response was collected from 100 x locals from 10 x districts of Balochistan.

The significance of this study lies in its attempt to bridge the analytical gap between internal dynamics and external geopolitical realignments. By examining Balochistan through a connected lens, one that integrates history, geography, hybrid threats, external interventions and local grievances, the research contributes a more comprehensive understanding of why instability persists and what policy choices Pakistan must consider.

Literature Review

The scholarship on Balochistan reflects a wide range of perspectives which include historical, political, socio-economic and geopolitical, yet it remains fragmented in its treatment of the province's evolving security dynamics. Early historical works trace Balochistan's civilizational depth to Mehrgarh and its complex political evolution through the Kalat Confederacy, British frontier arrangements and post-1947 state formation. Authors such as Inayatullah Baloch and Martin Axmann highlight how contested sovereignties and centre-periphery tensions created enduring grievances that shape modern conflict trajectories. Political and security-oriented literature, including works by Frédéric Grare, International Crisis Group, UNDP and various Pakistani research forums, emphasizes governance failures, resource inequities, tribal fragmentation and uneven reach of state institutions as central drivers of local discontent. Much of this literature examines insurgency waves, state responses and the interplay of patronage networks, noting how periodic development initiatives failed to create lasting political ownership. However, these analyses generally treat internal dynamics in isolation from the shifting regional environment.

A second body of scholarship examines external interference and regional geopolitics, focusing on Afghanistan's instability, Iran-Pakistan border complexities and broader great-power competition. Classical geopolitical thinkers such as Halford Mackinder and Nicholas Spykman provide theoretical foundations for understanding why Balochistan's location at the crossroads of South Asia, Middle East and Central Asia makes it susceptible to the strategic ambitions of external actors. Contemporary analyses link these ideas to Afghanistan's post-2021 transformation, cross-border sanctuaries and the evolving behaviour of regional states in shaping terrorist activity and political narratives. A review of existing scholarship therefore reveals a clear research gap. Most studies analyse Balochistan through single-dimensional lenses of either internal insurgency, external interference, historical contestation or governance deficits. Only limited works synthesize post-2021 geopolitical changes, the hybridization of threat actors and internal socio-political fractures into a unified analytical framework. This study addresses that gap by combining historical, political, socio-economic and regional perspectives to explain why instability persists and how Pakistan may construct a sustainable response

Theoretical Framework

To interpret Balochistan's complexity, four theoretical lenses have been applied:

- **Complexity Theory** posits that systems like Balochistan evolve through interacting political, economic, cultural and security variables. Outcomes are non-linear and cannot be resolved through short-term interventions. This implies that Balochistan challenge must be continually defined and re-defined as conditions change.
- **Protracted Social Conflict Theory** concludes that enduring grievances can only be addressed through long term resolution of governance and equitable development. In Balochistan, perceived resource deprivation, political marginalization and uneven development sustain long-standing grievances.
- **Human Needs Theory** identifies that Balochistan problem can be resolved by systematically satisfying core human needs of political participation, recognition and security. Balochistan's political dissatisfaction, identity mobilisation and subnationalist sentiment align closely with this pattern.
- **Counterinsurgency (COIN) Theory** emphasizes integrated military, political, intelligence and development efforts. Balochistan's hybrid threat structure in which kinetic actors are supported by non-kinetic networks, requires precisely such a multidimensional response.

These theories collectively highlight that Balochistan's stability hinges not on military force alone but on representative governance and equitable development.

Geography and Balochistan's Security Environment

Geography is the foundational determinant of Balochistan's security dynamics. Politically, the province's borders with Iran and Afghanistan and its access to the Arabian Sea situate it at the crossroads of South, Central and West Asia. This positioning enhances its strategic value while exposing it to transnational instability. Recent regional developments have heightened the volatility of its borderlands, transforming them into conduits for both opportunity and insecurity. Physically, Balochistan's vast terrain constituting nearly half of Pakistan's landmass contrasts sharply with its sparse population. High elevation, rugged mountains, and arid plains isolate communities, weaken state presence and complicate infrastructure development. Environmental constraints, including low rainfall and harsh climatic conditions, further limit economic activity, reinforcing patterns of marginalization.

Social and population geography add additional layers of complexity. The population is divided mainly among Baloch, Pashtun, Brahui and Hazara tribes, each with distinct historical territories, cultural traditions and political alignments. This mosaic, while culturally rich, also contributes to the province's complexity. The deep-rooted tribal loyalties, while fostering social cohesion at the local level, often limit the reach of formal governance and equitable resource distribution. Economically, Balochistan's mineral wealth and Gwadar's strategic location offer transformative potential, yet limited infrastructure and weak human capital continue to impede growth.

History and Balochistan's Security Environment

Balochistan's contemporary instability is deeply embedded in its historical experience, which has produced a distinctive political consciousness shaped by autonomy, peripheral governance and repeated external interventions. Any serious assessment of present-day security dynamics must therefore study Balochistan's historical evolution. Archaeological evidence situates Balochistan among the earliest centers of human settlement in South Asia. Around 7000 BC, in the fertile plains of Mehrgarh near today's Bolan Pass, an agrarian society thrived, predating Indus Valley Civilization by 4000 years.[1] This civilizational depth challenges contemporary narratives that portray Balochistan as inherently peripheral or backward. Instead, it establishes the region as an original locus of human settlement. However, the emergence of the Khanate of Kalat and its later incorporation into British imperial strategy as a buffer zone entrenched a security-centric approach to governance, privileging control over integration. This buffer zone character forced Balochistan to be viewed from a security lens; a place to defend rather than integrate, a place to govern through Sardars rather than institutions.[2] This legacy persisted after its accession to Pakistan in 1948.

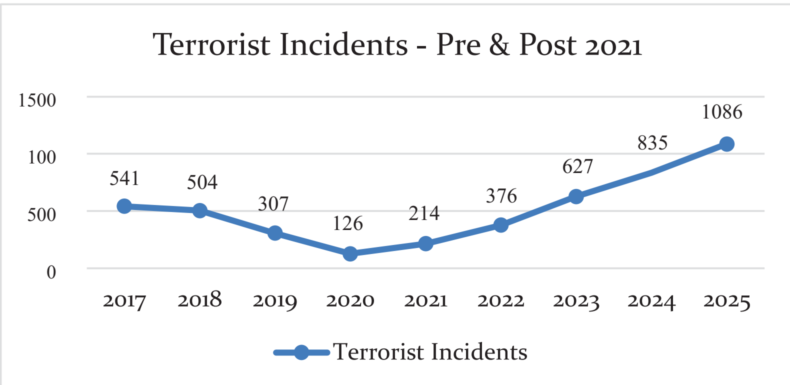
The discovery of natural resources further intensified this sense of alienation. While Balochistan hosts significant gas and mineral reserves, local communities have historically perceived that center and other provinces are getting disproportionate benefits. This "extraction without participation" has dynamically reinforced the narrative that Balochistan's wealth fuels national development while the province itself remains underdeveloped. In the contemporary period, arrival of CPEC and development of Gwadar Port further magnified these perceptions. For Pakistan, CPEC represents opportunity and connectivity; for aggrieved locals, it symbolizes outsiders controlling Baloch land. Potent narrative that development without inclusion is another form of dispossession is being exploited.[3] In this maize of Balochistan's history, resurgence of Taliban in 2021 and Iran-Israel War of 2025, have marked new chapters creating new challenges and opportunities for Balochistan.

External Dimension

Balochistan's intersection with external environment is characterized by shifting power structures and intensifying regional competition. Historically, the province has rarely been insulated from external strategic designs; its location has consistently attracted attention from global and regional powers seeking access and leverage. Strategically, its position along the rim of Eurasia endowed it with enduring geopolitical relevance, from imperial rivalries to Cold War intelligence operations. Therefore, influence in Balochistan has rarely been local; it has always reflected the interests of external actors seeking access to the region. India's hybrid strategy, specially under the present dispensation, treats Balochistan as a pressure lever to raise costs for Pakistan by amplifying separatist narratives, human-rights issues and externalizing its internal fault lines. India's National Security Advisor, Ajit Doval, in 2014, contextualized it as a "defensive-offensive" posture. He also mentioned leveraging Afghanistan to this end, stating, "You make it difficult for them to manage their internal security… the Taliban are mercenaries… go for more of a covert thing."[4]

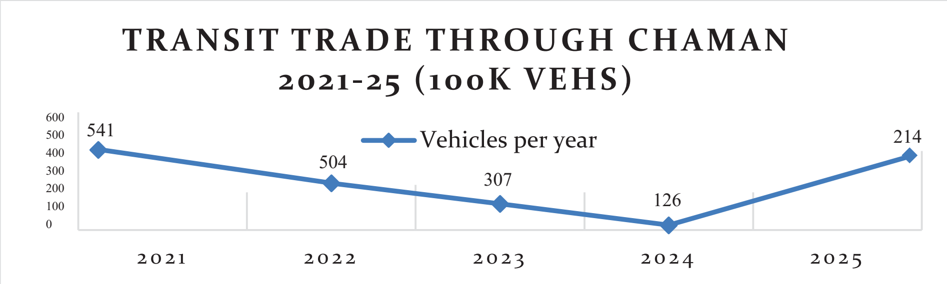
Contestation Post 2021 Taliban Takeover

The 2021 US withdrawal from Afghanistan re-ordered the external environment of Balochistan, with profound implications. Recent internal assessments undertaken by security forces describe today's Balochistan as a "coordinated hybrid challenge" in which external actors exploit internal vulnerabilities. These studies frame the province as Pakistan's geo-strategic and geo-economic center of gravity, warning that proxy terrorism, disinformation and economic manipulation directly test national cohesion. The US withdrawal from Afghanistan replaced a predictable though hostile regime with a volatile one, with the ensuing vacuum exploited by FAK and FAH, as shown by the incident profile given below.



The graph depicts how Baloch insurgents and FAK began regrouping immediately after the withdrawal. Their activity surged once safe havens were secured in Afghanistan. Moreover, these incidents were increasingly accompanied by waves of protests, especially from 2023-25. Key enablers of this evolving threat include 3rd party incentivization, illegal spectrum and availability of weapons and equipment leftover by the US in Afghanistan.[5]

The ensuing environment has also impinged on Pakistan's geo-economic and connectivity pivot. Chaman Border Terminal data provides a gauge of this economic overlay. Despite Pakistan's declared shift toward regional connectivity, transit trade through the crossing fell by more than 33% in 2025.



Other than targeting LEAs and civilians, CPEC was also a focus of these terrorist attacks. Therefore, the vacuum altered China's calculus regarding CPEC, pressing Pakistan for 'securitized stability resulting in greater troop deployment, surveillance, and control measures.[6] For the US and India, this instability serves as strategic leverage. It complicates Chinese BRI and drains Pakistan's security bandwidth. In sum, Taliban regime's gray zone statecraft - offering sanctuary to FAK & FAH for political concessions has made Afghanistan a persistent spoiler for Balochistan's stability since 2021.

Contestation Post 2025 Iran-Israel Conflict

The Iran-Israel confrontation in May 2025 further layered Balochistan's external environment. In this regard, Israel sees Balochistan as a 'second-front' against Iran. It seeks to stretch Iran's defenses by exploiting unrest in Sistan-Balochistan, supporting Jaish al-Adl and other cross-border factions such as Balochistan Liberation United Front (BLUF), to force Iran to divert resources from its western flank.[7] The launch of pro-Israel thinktank - MEMRI's "Balochistan Studies Project" in June 2025 - illustrates Israel's design in the region.[8] After the kinetic stage of Iran-Israel conflict in 2025, and more so after US/Israel-Iran War of 2026, both Iran and Pakistan have recalibrated responses, with increased Counter Terrorism cooperation and improved mutual trust. [9] Still, for Pakistan, the challenge in Balochistan remains multidimensional. It warrants safeguarding Chinese investments in Gwadar, managing a volatile Western frontier and checking actors that operate in the gray zone (Taliban, India & Israel).

In sum, US Withdrawal from Afghanistan was a negative paradigm shift for the region, however, Iran-Israel conflict yielded a net-positive as Iran and Pakistan deepened trust and counter-terrorism cooperation. While India seeks to weaponize Balochistan's fault lines against Pakistan, US and Chinese stakes in Balochistan create a strategic opportunity for Pakistan to anchor both powers as constructive stakeholders in the province's stability. Taken together, these shifts show that Pakistan can counter the 'revenge of geography' only through a deliberate, leverage-based strategy in Balochistan.

Internal Dimension

Balochistan's internal dynamics are driven by the interplay of governance, grievance and greed, which together act as key enablers for subversive forces to influence the population in general and youth in particular. These three factors do not operate in isolation; rather, they reinforce each other to create a self-sustaining ecosystem of instability. Weak governance generates grievances, grievances fuel unrest, and unrest enables greed-based exploitation, ultimately stirring the narrative of "Azad Balochistan," especially among educated segments of society. Weak and uneven governance remains a principal driver of instability in Balochistan. The province suffers from political exclusion and institutional fragility, which together undermine state legitimacy. With only 16 seats in National Assembly, Balochistan is the least represented province in the federation, limiting its influence in national policymaking and reducing incentives for mainstream political parties to invest deeply in the province. Deep-rooted grievances arising from propaganda driven marginalization and inequitable resource distribution continue to sustain terrorism. Balochistan remains Pakistan's least developed province, with a Human Development Index of 0.44, significantly below the national average. Literacy stands at 42%, while nearly 71 percent of the population lives below the poverty line.

Resource-related grievances occupy a central place in Balochistan's conflict narrative. Despite hosting major mining and energy projects, the province historically received only 2% royalty from the Saindak Project, recently increased to 6.5 percent, and consumes merely 5.8% of natural gas, despite contributing around 17% of national supply. These figures reinforce the perception that Balochistan's resources are used for national benefit while the province itself benefits marginally. Balochistan's internal dynamics are increasingly characterized by a hybrid threat environment, in which kinetic violence and non-kinetic influence operations function in tandem. Kinetic actors generate shock through targeted violence, while non-kinetic actors create narrative space and legitimacy for sustained anti-state mobilization. Together, they amplify instability by operating across physical, political and cognitive domains.

Kinetic Threat

FAH and FAK remain the principal kinetic actors in Balochistan's security landscape. FAK operates primarily in northern Balochistan, drawing influence from Afghan border networks and maintaining linkages with southern KP, while FAH remains active in southern, central and southeastern districts. Both groups exploit gaps along nullahs and mountain ranges for cross-border movement, with leadership largely operating from Afghanistan. During 2025, a total of 425 terrorist attacks were recorded across the province.[10] BLA-A, with 185 incidents, emerged as the primary threat actor in southern, central and southwestern Balochistan, followed by BLF, BRA and BRG operating under the BRAS framework. The most affected districts included Turbat, Panjgur, Awaran, Khuzdar, Qalat, Harnai, Nushki, Dera Bugti and Kohlu.

Non-Kinetic Threat

Non-kinetic threats in Balochistan are strategic, persistent and cross-domain, shaping the conflict without seizing territory. These actors operate as force multipliers by contesting state legitimacy through narratives and public perception. Socially disruptive proxies project narratives centered on enforced disappearances, human rights abuses and political marginalization, thereby internationalizing local issues and exerting reputational pressure on state institutions. Student organizations serve as mobilization and recruitment hubs, shaping youth sentiment and framing militancy as resistance. Social media and diaspora-linked platforms amplify non-kinetic campaigns by selectively framing incidents, sustaining grievance narratives and creating digital echo chambers.[11] Militant groups operate dedicated propaganda channels, while diaspora networks engage in lobbying and advocacy across the US and Europe.

Way Forward - Towards Enduring Stability in Balochistan

The preceding analysis demonstrates that Balochistan's instability is not the outcome of a single variable but the result of a cumulative interaction among multiple factors. Consequently, no episodic or security-centric response can offer a durable solution. Three foundational premises emerge from the analysis. First, there are no short-term solutions to the Balochistan problem; policy inconsistency and intermittent engagement have historically deepened mistrust rather than resolved it. Second, political legitimacy is the central variable in stabilizing the province; without credible representation and participation, developmental and security initiatives will remain fragile. Third, adaptive governance, capable of responding to regional diversity within Balochistan, is essential given the province's vastness and internal heterogeneity. From external perspective, Pakistan's approach toward Balochistan must be shaped by the recognition that borders constitute the primary channels through which instability spills into the province. With respect to Afghanistan, a policy of conditional engagement is required. Trade, transit and border facilitation should be explicitly linked to verifiable action against FAK and FAH. However, people-to-people channels particularly for medical emergencies and humanitarian needs at crossings such as Chaman should remain open.

Regarding India, the analysis underscores the need to consolidate internally while exposing India externally. Intelligence collection, particularly in South Balochistan, should focus on generating verifiable evidence of hostile interference for sustained diplomatic engagement. In relations with Iran, a “Balochistan-first” approach grounded in shared stability interests is essential. Enhanced intelligence sharing and counterterrorism cooperation which is already showing positive trends should be institutionalized. Parallel investment in border regions can convert security cooperation into tangible economic dividends, reducing incentives for cross-border militancy. With the United States, economic engagement should be tied explicitly to local stability, ensuring that investment and security objectives reinforce each other. Pakistan should also pursue coordinated efforts for international designation of violent groups operating in Balochistan under relevant global counterterrorism frameworks. Finally, engagement with China must prioritize the operationalization of Gwadar Port and sustained diplomatic and intelligence coordination to secure CPEC assets. Visible economic activity at Gwadar is critical not only for geo-economic objectives but also for altering local perceptions regarding exclusion.

Internally, the way forward must address five interrelated domains: political inclusion, socio-economic development, security architecture, counter-subversion and intelligence reform. Politics lies at the heart of the Balochistan challenge. Persistent perceptions of political engineering and elite capture have eroded trust in representative institutions. To restore legitimacy, genuine and transparent elections, conducted under digitally verifiable conditions, are essential to enable leadership that is both representative and accountable to the local population. To strengthen Balochistan’s stake in the federation, federal representation should be enhanced by increasing the province’s National Assembly seats from the current level to a proportion that reflects its territorial and strategic weight. Greater representation would incentivize mainstream political parties to invest in sustained engagement rather than episodic alliances.

Given Balochistan’s internal diversity, the study reinforces that neither the problem nor the solution is uniform across the province. A zone-based development approach is therefore essential. In South Balochistan, development should focus on mining, fisheries, ports and agriculture. In Central and Eastern Balochistan, agricultural productivity can be enhanced through long-pending irrigation projects such as Kacchi Canal extension and installation of telemetry systems. In Northern Balochistan, value addition in agriculture, livestock and minerals should be prioritized through processing facilities and storage infrastructure.

Security measures must transition from broad-area dominance to a focused “3-S Architecture” comprising Secure Borders, Secure Roads, and Secure Cities. Rather than dispersing resources across vast and sparsely populated terrain, security efforts should prioritize critical corridors and urban nodes through a phased approach, beginning in the south and extending northward. This model aligns security provision with economic activity and population centers, reducing the perception of militarization while improving effectiveness. Youth engagement is particularly critical. Expanding local government structures and integrating young representatives into district-level decision-making can redirect political energy from subversion toward participation. In parallel, sustained engagement with educators, religious scholars and community influencers is essential to counter ideological narratives at their source. Counterterrorism in Balochistan must remain intelligence-led rather than force-centric. Under the articulation of NIFTAC & PIFTAC, unity of intelligence command, clear accountability mechanisms and locally grounded human intelligence are essential. Greater induction of Baloch personnel into intelligence and counterterrorism institutions can enhance legitimacy, improve situational awareness and reduce informational gaps.

Finally, it must be recognized that Balochistan's challenge is not a product of recent decades but the culmination of historical processes spanning centuries. Comparative studies of insurgencies indicate that even after effective reforms are initiated, perceptual change among local populations takes time. Therefore, ongoing 10-year National Action Plan for Balochistan, should continue to be implemented with consistency and political ownership at the highest level.

Conclusion

While the land of Balochistan was formally stitched with Pakistan in 1948, the deeper stitching of its people into the national political, economic and emotional fabric remains incomplete. This disconnect continues to manifest in recurring cycles of violence and the occasional traction of sub-nationalist narratives. The findings highlight that sustainable stability cannot be achieved through security-centric responses alone. Military operations and law enforcement may suppress violence temporarily, but they cannot substitute for political ownership, equitable governance and dignity-affirming engagement. Equally important is the recognition that Balochistan's external environment has transformed after 2021. The Afghan Taliban's return, shifting regional alignments, Iran-Pakistan relations and the rise of transnational propaganda networks have recalibrated the province's security dynamics. Pakistan must therefore adopt an integrated approach that addresses border security, diplomatic engagement, hybrid threat mitigation and regional cooperation alongside its internal reforms. Failure to align internal stability mechanisms with external geopolitical realities risks perpetuating the conflict cycle.

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EMERGING INDIAN NUCLEAR THOUGHT AND ITS GLOBAL & REGIONAL SECURITY IMPLICATIONS

Muhammad Ahmed, Syed Fassih Ul Hasnain, Syed Usama Shahid, Muhammad Imran Khan, Tauqeer Ahmad Khawaja, Bilal Ahmed

Abstract

This paper assesses the transformation, in the Indian nuclear doctrine and defence posture and draws its implications for regional and international security. At the regional level, the paper explores the impact on strategic stability of South Asia, specifically deterrence equilibrium with Pakistan. At the international level, it reflects on the implications for global strategic stability, arms-control regime and the impact on emerging technologies. Focusing on the evolution of Indian nuclear thought, the article focuses on three main questions: 1) What are the core pillars of India's 2003 Nuclear Doctrine? 2) Has Indian doctrine thought shifted from defensive to offensive deterrence under internal and external drivers of change? 3) How changing Indian nuclear thought pattern impacts regional and global security? Anchored in deterrence theory and neoclassical realism, this paper examines the transformation of Indian nuclear thinking in response to changing systemic and regional dynamics, by undertaking qualitative analysis of doctrines, policy statements, defence agreements and strategic partnerships. The progressive development of Indian ballistic missile defense system, Intelligence, Surveillance and Reconnaissance (ISR), precision-strike and sea-based nuclear capabilities have redefined the Indian force posture, calculus of escalation and Indian confidence in damage-limiting capabilities. The paper looks at the ways in which these developments question conventional idea of deterrence.

Keywords: Indian Nuclear Doctrine, Emerging Indian Nuclear Thought, Strategic Stability in South Asia, Indo-Pak Nuclear Dynamics.

Introduction

With the international rule based order slowly sliding into anarchy, there are signs marking the start of the Third Nuclear Age characterized by fragmentation of changed nuclear strategies and renewed technological advancement. Global arms control regimes and norms of verification, are being increasingly sliding into recession. while depriving the system of its predictability, increasing distrust. With the greater likelihood of crisis escalation and instability emerging, non-proliferation regime appears to be eroding fast under selective compliance, preferential waivers, and the use of exceptions based on geopolitical considerations.

The compliance and Enforcement of non-proliferation standards has become not a matter of principle but a matter of power. All these forces are the emblem of a sharp shift marking a gradual collapse of in the rule-based order and the subsequent exercise of restraint onto the capability-based competition, which has fast emerged as the perilous hallmark of the Third Nuclear Age.

Within the context of South Asia, the debate on the risks of a nuclear war is a living threat for global peace. The effects of the phenomenon have been calculated to be immediate, global and irreparable. The history of the relationship between Pakistan and India is characterized by the high rates of militarization, the frequency of crisis and the mistrust that is deeply built up to the point where any small incident may be turned out of control way before diplomacy can take any action. Indian brinkmanship politics, hard-line ideological undertones and emerging global power ambitions coupled with western technological empowerment, has given way to more aggressive strategic thinking, which has troubled the intricate balance of power in South Asia. With this strategic aggressiveness, the nuclear discourse of India seems to be quietly recalibrating. What was formerly fixed on a doctrine of plausible minimum deterrence is now being represented in terms of increased preparedness, maneuverability and technological assertiveness. Such doctrinal fluidity, when combined with the absence of reliable crisis-management mechanisms, leaves the South Asian security equation perilously exposed to miscalculation. Alive to the threat, “Stimson Centre” warns that “Nowhere in the world is the risk of a nuclear exchange greater than in South Asia”, a scenario that would bring death and devastation extending well beyond regional boundaries.

Mapping India’s Nuclear Evolution

Since 1947, India’s nuclear policy has developed along two parallel tracks. Initially shaped by the legacy of Hiroshima and global nuclear monopolies, it moved from moral criticism of nuclear weapons to prioritizing strategic independence, autonomy and thus pursuit to acquire nuclear capability. Guided by Nehru’s idealism of non-alignment and the Panchsheel principles underpinning early ties with China, New Delhi portrayed nuclear advancement as peaceful progress. However, beneath this idealism, national identity and security concerns converged with aspirations for self-reliance, laying the foundation for a quiet, capability-driven nuclear program. Thus, Indian nuclear capability embodied both desire for modernity and sovereignty, and a balance between strategic pragmatism and normative restraint. The nuclear path of India has to be considered in the backdrop of the U.S. Soviet rivalry, Chinese 1964 nuclear test and the Non-Proliferation regime. The nuclear policy of India underwent different stages. The evolution is separated into four specific periods, each of which was characterized by changes in the Indian capability and strategic direction.

1945 – 1964: Foundations under a New Nuclear Order

From latency to overt weaponizing from 1945 to recent times, India's nuclear trajectory took shape in the formative decades of the atomic age, when the U.S. bombings of Japan and the nuclear tests by the Soviet, U.K. and France institutionalized nuclear deterrence. For India, this underscored opportunity and vulnerability. Since being a non-nuclear state risked international marginalization, Indian leadership was aware of this risk since inception. Guided by Jawaharlal Nehru, the leadership pursued atomic energy as a tool of development and national prestige. Creation of the Atomic Energy Commission and Department of Atomic Energy under Homi Bhabha institutionalized indigenous capability. During this phase, India commissioned two research reactors [Apsara (1956) and CIRUS (1960)], trained over 4,000 scientists and engineers, and devoted nearly Rs 900 million during the Second and Third Five-Year Plans to nuclear research and infrastructure. Trombay Complex became the nucleus for fuel-cycle and plutonium separation, a latent base for weaponization. At the heart of India's approach remained the duality of Indian nuclear stance: public commitment to disarmament paired with subtle strategic nuclear hedging. Nehru himself acknowledged the blurred line between peaceful and military use, and indicted "using atomic energy for its defense if threatened." By the early 1960s, the program conceived 'the idiom of peace', building the infrastructure for latent weaponization.

1964 – 1974: Technological Aspiration to Threshold Capability

Early 1960s was a point of infliction in the nuclear development of India. The 1962 China War revealed military weaknesses and the test which occurred in 1964 gave Beijing the strategic impetus and political legitimacy needed to turn Indian capability into an overt nuclear program. The so-called peaceful nuclear program under PM Shastri was a political camouflage to keep alive weapon-relevant research and continued development of capability. Denial to become a member of the NPT strengthened this two-sided stance. The May 1974 test at Pokhran (Smiling Buddha) was a giant leap, which proved a design of devices, materials competence and capability without losing international legitimacy.

1975–1998: Strategic Ambiguity and Covert Weaponization

Between 1975-98 is the period of Indian strategic ambiguity that consolidated Indian nuclear potential. Pokhran-I had changed the position of India in the world and NSG limitations strengthened local endeavors. This ambiguity saved India in terms of diplomatic flexibility and self-contained ecosystem all through the 1980s. Domestically, the nuclear program was used to display Indian national resolve, self-sufficiency and the nuclear capability in the context of sovereignty and modernity. The period after the Cold War represents nuclear ownership as an indicator of prestige and strategic parity. India had realized that overt capability will earn respect and due stature in the new order. By the middle of the 1990s, Non-Proliferation Treaty (1995) was extended indefinitely, and

Comprehensive Test Ban Treaty (1996) pushed forward, which will make Indian nuclear ambitions static, almost preventing the Indian ambition of nuclear status. India resorted to make the final transition to the overt phase.

1998–2003: From Latency to Declaration

For India, openly declaring itself as a nuclear-weapon state in 1998 was a defining political and ideal moment. The BJP government's move reflected convergence of domestic ideology, electoral positioning and a perceived low-risk structural opportunity created by the post–Cold War reordering and weakened non-proliferation constraints. Unlike the Congress governments that had maintained deliberate opacity to balance capability with diplomatic caution, the BJP viewed nuclearization as realization of a long-nurtured vision of Hindu civilizational supremacy, strategic autonomy and global recognition. After nuclearization, the first draft nuclear doctrine surfaced in 1999, outlining principles of *Credible Minimum Deterrence* and *No-First-Use,* portrayed to project India as committed to restraint, yet determined to ensure credible retaliatory capability. The 1999 draft doctrine laid the conceptual groundwork of India's deterrent philosophy. However, a formal validation and structural clarity emerged in the 2003 nuclear doctrine that followed prima facie placing India as a 'Responsible Nuclear State'.[1] Indian claim of a responsible and China-centric deterrence was subsequently altered showing Indian true hegemonic ambitions against regional neighbours specially towards the western adversary.

India's 2003 Nuclear Doctrine & Strategic Force Modernization

Indian Nuclear Doctrine 2003 represents the formal codification of its nuclear policy framework, transforming the conceptual principles of 1999 into an operational doctrine that defined India's deterrence posture, command structure and declared response strategy. Salients of the doctrine include:

- Indian commitment to building and maintaining a credible minimum deterrence to ensure an effective retaliatory capability.
- It declared a No-First-Use policy, pledging that nuclear weapons would only be used in retaliation to a nuclear attack on its territory or its forces "anywhere" with the exception of a chemical and biological attack.
- The doctrine outlined a strategy of massive retaliation designed to inflict unacceptable damage on any aggressor.
- It stated that India will maintain a recessed deterrence posture with a high readiness but low alert policy, ensuring rapid mobilization capability while remaining consistent with the No-First-Use commitment.
- The use of nuclear weapons was placed under civilian political control through the Nuclear Command Authority (NCA) with two separate councils,

a political and executive council. Political council chaired by Indian prime minister has the authority to order a nuclear strike.

- It emphasized on a survivable second-strike capability, supported by a reliable nuclear triad and secure command-and-control systems as future development projects.
- The doctrine reaffirmed India's commitment to nuclear restraint, responsibility and global disarmament.[2]

Major Strategic Force Modernization

- Land-Based Long Range Ballistic Missiles Post 2003, the program rapidly advanced with the Agni series forming Indian nuclear doctirne's strategic core. Agni-I and Agni-II established short- and medium-range deterrence, while Agni-III extended reach into China. canister zed Agni-Prime (Agni- P) enhanced mobility and readiness, and the Agni-V, tested under mission Divyastra in 2024 demonstrating MIRV capability, marking a major leap in India's strategic strike potential.[3]
- Short-Range Cruise & Ballistic Missiles at the tactical end, Brahmos & Nirbhay cruise missiles along with Prahar short-range ballistic missile with ranges from 150-1000 kms provide a rapid-reaction & precision-strike option. Prahaar is intended to replace older Prithvi-I systems. Although officially classified as a conventional weapon, the missiles quick-launch configuration, high accuracy with dual-use capability has the potential to escalate conflicts whilst can also initiate a catastrophic response.[4]
- Completion of the Nuclear Triad. In pursuit of the tri service application capability, India achieved the completion of nuclear triad in 2018 with its sea-based leg of nuclear deterrent named INS Arihant-Indian first nuclear ballistic missile submarine, acronym as SSBN, equipped with K-15 Sagarika submarine-launched ballistic missiles. This milestone assured second- strike capability alongside land and air delivery systems, and signifying a major institutional realization of the 2003 Indian nuclear doctrine goals. India currently operates two SSBNs with a third undergoing sea trials.[5]
- Emerging Technologies & Modernization Lastly, due to designed ambiguous nuclear policy, India is consolidating its strategic modernization through use of emerging technologies which includes MIRV equipped Agni-V tests in 2024, advancement in layered Ballistic Missile Defence (BMD) program, planned testing of Hypersonic Glide Vehicles (HGVs) and pursing development of Agni VI, an ICBM with a range of 12,000 kms. These developments enhance reach, penetration, accuracy and survivability whilst also signal a shift from restrained deterrence toward capability driven

preparedness, subtly redefining the boundaries of "credible minimum deterrence".[6]

- Development of Non-nuclear Strategic Weapons India's modernization now extends to non-nuclear strategic weapons, especially with the development of Agni-V enhanced payload version capable of 7500 kgs. Such developments enhance precision, speed and penetration, giving conventional weapons a strategic deterrent value. This integration of advanced conventional platforms into India's deterrent posture reflects a shift toward multi-domain strategic deterrence, across both nuclear and non-nuclear spectrums.[7]

Contradictions – Indian Nuclear Doctrine 2003

- **CBW Caveat vis a vis NFU**: The Indian option of nuclear retaliation covering any major chemical or biological attack defies the spirit of NFU pledge. This exemption confounds the Indian declaratory restraint and creates confusion on the threshold of Indian nuclear response.
- **Ambiguity of "Credible Minimum Deterrence**: Additionally, the vagueness of the Credible Minimum Deterrence (CMD) in India is the fact that there is no definite explanation of a credible and minimum force. This presents a paradox; what is considered as a minimum deterrent towards one state may not be justified as minimum for another state.
- **Recessed Posture vs Ready Systems**: The Indian de-mated and low-alert posture contradicts Indian actual move towards canister zed and faster-launch systems. The duplicity of approach presents two sidedness that blurs the actual picture of Indian nuclear preparedness.
- **Counterforce Drift Vs NFU**: The increasing investments on precision-targeting and AI-enabled decision-making, unprecedented development of missiles, and ballistic missile defence, all point to capability development in line with counterforce targeting. This kind of development implies readiness to use pre-emptive counterforce, which is in direct contravention of the No-First-Use policy declared by India, and the retaliatory nature of the 2003 doctrine.
- **Short Range / Low Yield Weapons vs Massive Retaliation**: There is a doctrinal anomaly with the introduction of dual capability, low yield weapon systems like Brahmos, Prahaar and Nirbhay. These systems, which have the ability to make pinpoint strikes in the shortest time possible, are suited to being utilized in limited or tactical strikes, which will not be in line with the stated policy of massive retaliation of India to cause unacceptable damage. The fact that their use is possible in counterforce or battle field operations makes the difference between the conventional and nuclear operations

unclear, which weakens the credibility of the retaliatory position that India has mentioned.

Internal Drivers of Change–Ideas & Institutions

Strategic Identity Politics and Performance Pressures

The changing nuclear discourse in India cannot be viewed in isolation but fixed in the larger Indian self-identity, the desire for strategic independence and status of a great power. Since the establishment of BJP government in 2014, the domestic and foreign policy of India has become captivated by Hindutva, an ideological agenda according to which India is a Hindu civilization than a secular republic. The idea of Akhand Bharat manifests in BJP's hyper-Hindu nationalist assertiveness in state policies. This ideology has changed the strategic thinking of the country, its changing nuclear rhetoric and its foreign-policy actions. The government declares nuclear and missile success as a spiritual victory. The titles of systems such as Pralay, Shakti and Agni are all based on the Sanskrit lexicons, which connotes weaponry as a divinity, as an active effort to associate the technological abilities with the mythical forces. This framing is not accidental either; it inserts strategic policy in the line of theological-historical continuum where military technology is evidence of Hindu renaissance.

Elite Discourse as a Major Indicator of Doctrinal Elasticity

India's doctrine remains officially cautious, but the public record is replete with rhetoric. Over time, figures in the political, bureaucratic, and strategic community have tested the limits of NFU, retaliation posture, and counterforce plausibility. In 2010, *Shivshankar Menon, Ex NSA, while addressing to National Defence College mentioned that India's No First Use is against non-nuclear state only*, a major shift in the stated position. In 2016, Defence Minister Manohar Parrikar questioned the binding nature of NFU by asking, *"Why should India publicly commit that it will never use nuclear weapons first? Just because we don't declare a first-use policy doesn't automatically mean we must strike first*, but we also shouldn't tie our hands by promising not to." He prefaced this by clarifying that doctrine had not changed, but his formulation broke from categorical restraint. By 2019, as geopolitical tensions intensified, Defence Minister Rajnath Singh reaffirmed India's NFU posture but added a significant caveat: *"Till today, our nuclear policy is 'no first use'. What happens in future depends on the circumstances."* [8] This modification of certainty into conditionality marked a rhetorical opening to greater flexibility. Most recently, in October 2025, General Upendra Dwivedi, India's Chief of Army Staff, escalated the tone further: *"If Pakistan wants to retain its place in geography, then it must stop state-sponsored terrorism. This time we will not maintain the restraint that we had in Operation Sindoor 1.0."* He added that future action would make Pakistan *"think whether it wants to remain on the world map or not"*. Between these bookend moments are other prominent remarks by former SFC commander Lt. Gen. B.S. Nagal (on NFU being "self-deterring") and by strategic analysts like Vipin Narang, who explicitly tied improved ISR and strike accuracy to a shift towards conditional preemption.

Together, these statements form a trajectory, from cautious questioning of NFU to explicit coercive signaling. While doctrine has not formally changed, through discourse India's option space has expanded and escalation risk in crises may now lie along paths once deemed improbable. The operative mechanism is also signaling drift: the formal doctrine stands, but the interpreted doctrine, what adversaries believe India might do, expands. This approach raises crisis-instability by making red lines and ladders of escalation harder to infer.

Domestic Critique of 2003 Framework

Within India's strategic community, sustained critique of the 2003 package has clustered around four tensions:[9]

- NFU credibility under imminent nuclear attack by adversary.
- Massive retaliation may be an implausible or counterproductive response to limited attacks.
- CMD elasticity, where "minimum" remains undefined and drifts upward under two-front planning.
- Targeting philosophy (countervalue vs counterforce) under improved accuracy and ISR.

Although varied in perspective, the sustained institutionalization of this critique within India's strategic debate operates as an internal engine of doctrinal mutation.

Sane Voices and the Politics of Expertise

Only a handful of restraining voices remain within India's strategic community who continue to argue for strict adherence to No First Use. As Shayam Saran, ex Foreign Secretary said, "*India's No First Use policy is a solemn assurance. It enhances strategic stability and must not be diluted by adventurist interpretations*". This affirms restraint as the organizing principle of India's declared deterrence, even as surrounding discourse tests its edges. However, in a more polarized media and policy landscape, everything that is visible take precedence over prudence. With the community conversation shifting towards the trend of threat inflation and belief in technological solutions, reasoned evaluations are being pushed to the periphery, and moderators silenced by those who gain rewards by playing to the gallery.

Two Front Narrative Construction and Strategic Legitimacy

The perception of two front threat has ceased being a military fact in India and turned out to be a strategic story. At home, it provides political unity and legitimization of increased defence expenditure, abroad, it presents India as an Indo-Pacific balancer standing on the front line, which welcomes Western technology and strategic support. This two-fold function of narration, which mobilized internally and authorised externally, brings a distant contingency into the legitimizing function of doctrinal elasticity and its constant militarization.

Politicization of the Strategic Enclave

The classical insulation of Indian strategic enclave, defence establishment and the political leadership has corroded. The national security is now an instrument of political performance with two effects: the politicization of the military and the militarization of the polity. In addition to their primary military role, such strategic agencies as the Atomic Energy Commission and DRDO are playing an even more significant role in the display of state power and the justification of the stories of technological excellence, which are frequently borrowed to political opportunity. This conformity puts strategic consideration behind the work of political signaling with demonstrations of capability existing to provide security as well as electoral pay-off. This leads to a performative security culture, where a restraint in the doctrine is replaced by spectacle.

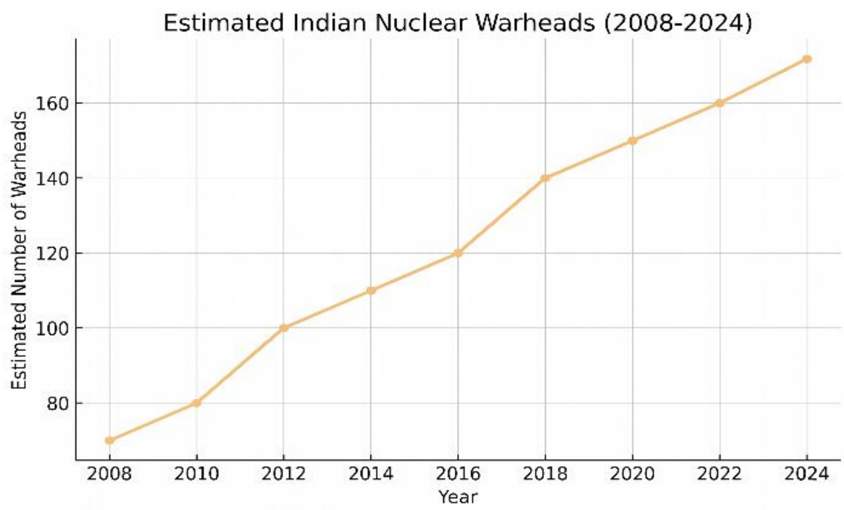
External Drivers of Change Shaping India's Nuclear Thought India under the Indo-Pacific Strategy (IPS)

The Indo-Pacific, which is designed as one strategic theatre, offers the US and allies the geopolitical justification to bring India as one of the essential partners. The geostrategic location, between the Indian and Pacific Oceans, renders India indispensable in the US attempts to contain China. The US Indo-Pacific Strategy enables it to have dispersed power projection in the IOR in order to maintain a balance in the region without excessive expansion, through India. Thereby giving a green light to the rise of India as a net security provider and a counter to China in the region. The most relevant external enabler, that propels Indian offensive deterrence efforts is therefore, the partnership. Below is the trace of how USA has enabled renewed Indian nuclear thought and capability:

- **India's Nuclear Normalization**: Under strategic integration framework, Indo-US staretgic agreements fundamentally altered India's geopolitical standing, moving it from a *nuclear pariah to an accepted strategic partner*:
  - **NSSP (2004)**: The ***Next Steps in Strategic Partnership*** *agreement of 2004, which* dismantled technology denial regime for India and opened structured cooperation on high-tech trade, space, and civilian nuclear areas - marking the first institutional trust-building step.
  - **US-India 123 Agreement (2005-08)**: It was a landmark civil-nuclear accord that legalized nuclear trade and, constituted de-facto recognition of India's nuclear status - fracturing the normative unity of the NPT regime and integrating India into the global nuclear order with

exceptions.

- **IAEA Safeguards (2008) & NSG Waiver (2008)**: These were the multilateral supplements to the 123 Agreement. India's negotiated safeguards agreement with the IAEA created a formal, voluntary separation between its military and civilian programs.[10] The subsequent consensus-based NSG waiver granted India global market access and legitimacy. This had a direct, material impact on Indian arsenal: by allowing access to imported uranium for its civilian energy sector, the agreement freed up scarce indigenous uranium for exclusive use in Indian military reactors, thereby directly enabling the expansion of Indian weapons-grade plutonium production. As per SIPRI data (shown in the graph below), from 70 warheads in 2008 to over 170 by 2024, – there was steady rise of India's warhead stockpile after nuclear normalization.



Extracted from Year Books of SIPRI

- **Export-control Relaxations and Alignments**: India's entry into Missile Technology Control Regime, MTCR (2016) and alignment with Wassenaar and Australia Group regimes opened access to dual-use aerospace, defense, and strategic technologies. Thus enabling access to advanced propulsion and guidance systems. It also facilitated the import of high-end UAVs (like the MQ-9B Reaper) and export of indigenous missiles (such as BrahMos), turning regulatory acceptance into strategic and economic gain.[11]

- **Operational & Technological Enablement**: Beyond diplomacy, the partnership has deepened into concrete military and technical cooperation that directly enhances India's strategic capabilities.

  - **Maritime Domain Cooperation**: The Quadrilateral Security Dialogue

(QUAD) - comprising the US, Japan, Australia, and India - provides the political-military framework legitimizing India's role as a net security provider and regional counterweight to China. It also helps advance a broader geo-economic objective, which is strengthening supply chains, diversifying semiconductors and critical minerals, and reducing dependence on networked China. However, the full potential of the QUAD has not been realized yet, largely because India still remains cautious about China and values its strategic independence so it is reluctant to commit to any formal collective defence or openly siding with China. This ambivalence, shaped by fears of entrapment, Chinese retaliation, and domestic politics has slowed institutional progress even as India reaps its security and technological benefits.[12]

- **2+2 Ministerial Dialogue**: Institutionalized in 2018, the 2+2 Dialogue has deepened Indo-US defense cooperation through key agreements including Communication, Compatibility & Security Agreement, i.e COMCASA (2018) and Basic Exchange & Cooperation Agreement i.e BECA (2020), India-USA Defense Acceleration Ecosystem i.e INDUS- X (2023) and Initiative on Critical and Emerging Technologies i.e ICET (2023). These agreements provide India with encrypted communications, advanced platforms, real-time intelligence sharing and access to critical emerging technologies.[13] Thus, enhancing precision targeting, ISR integration, and counterforce credibility.

Indo–Israel Strategic Cooperation - Enabling BMD, ISR, and Counterforce Capacity

The key catalyst allowing Indian nuclear thought to become assertive is the Indo-Israel strategic cooperation. The development of air and missile defence capabilities through the Israeli assistance in ballistic missile defence, ISR, and precision- strike systems, including Barak-8/LR-SAM and MR-SAM, has stabilized Indian air and missile defence, as well as making early-warning and launch-on-warning dynamics possible. Indian missile and UAV platforms such as Heron-TP, Searcher and Brahmos have been integrated with Israeli radar, seeker, and guidance technology and this has helped to improve real-time surveillance of targets and precision attack. Collaboration in electronic warfare, satellite imaging, battle-management, and new AI-enabled and hypersonic technology have increased command responsiveness and signifies a transition of deterrence based on retaliation to capabilities-based offensive capability, increasing the damage-limit, quick-retaliation, and counterforce potential of India.

India-Russia Collaboration

India-Russia strategic collaboration has been one of the external facilitators changing Indian defensive deterrence to offensive deterrence. Russia has guaranteed assistance in Arihant-class SSBN development, Arihant sea-based second-strike capability, and INS Chakra, along with reactors and propellers. The combined production of Brahmos supersonic missile and the future Brahmos-II hypersonic system will enable India to have precision, high-speed, dual-capability delivery platforms which will increase counterforce and damage-limitation capabilities. Purchasing of the S-400, along with availability of GLONASS, also enhance Indian integrated defense strike capability, increasing accuracy and survivability. All these partnerships support Indian deterrence and confidence in selective escalation and offensive posture.

Weakening of RBIO and Global Arms Control Erosion

Weakness in rule based international order and collapse of the Cold War arms-control regime - characterized by the dissolution of the Intermediate Nuclear Force (INF), Anti-Ballistic Missile Treaties (ABM) and uncertainty about New START, undermines nuclear restraint regimen the world. Such doctrinal confusion along with the US and Russian postures make nuclear warmongering normal. India is taking advantage of this lax environment to develop MIRVs, BMD and hypersonics to create credible deterrence.

Regional Nuclear Dimension

South Asia's nuclear dynamics exist within a wider pentangular strategic system - involving the United States, China, Russia, India, and Pakistan, where technological and doctrinal shifts in one node create cascading reactions across the network.[14] Within this interconnected matrix, India's evolving nuclear posture is driven not only by external pressures of a militarily and technologically advanced China and a tactically resilient Pakistan, but also by its hegemonic and prestige-driven ambitions under the Vishwaguru or "great-power" narrative.[15]

- **China**: China's rapid modernization of the PLA Rocket Force and recurring border disputes are cited by India as key drivers for reinforcing its deterrence posture.[16] Though India's hedging strategy, marked by selective cooperation with the West while preserving strategic autonomy, enables it to secure defence and technological gains without entering binding alliance structures. Consequently, many analysts argue that India sees limited strategic incentive to fully resolve its border disputes with China and Pakistan, due to strategic leverage extracted from self- proclaimed Two-Front threat scenarios.

- **Pakistan**
    - Pakistan's Full Spectrum Deterrence (FSD) and conventional capability displayed during Balakot Crisis (2019) and May 2025 Conflict, continues to define the deterrence stability in South Asia,[17] neutralizing India's 'Cold Start' and 'Dynamic Response' options.

- India's pursuit of hypersonics, dual-use platforms, BMD and AI enabled ISR networks reflect her growing counterforce temptation against Pakistan's strategic assets to undermine FSD and create / expand space for war within/without nuclear threshold.

Security Implications - Regional and Global

Having traced the evolution of India's nuclear thought since the 2003 doctrine, shaped by a range of internal and external factors, the key shifts in Indian Nuclear thought across four interlinked parameters that collectively define this transformation are as under:

- Credible Minimum Deterrence has evolved toward Credible Deterrence which is dynamic in nature.
- No First Use has softened into a Conditional NFU accompanied by preemption debate.
- Countervalue orientation and recessed deterrence has merged with counterforce logic under a force-in-being posture.
- The triad has evolved into an assured second-strike capability, underpinned by ongoing technological advancements.

These shifts in India's nuclear thought have far-reaching consequences, reshaping the deterrence dynamics of South Asia and influencing the broader global security landscape.

Regional Implications

Indian adjustments in doctrine have the most significant regional consequences, which can be considered in terms of the strategic stability framework, including crisis stability, deterrence stability, and arms-race stability, each one of them representing a different (albeit overlapping) aspect of the escalation control and regional balance.

Crisis Stability

India's Superiority Narrative and Escalatory Dynamics in a Nuclearized Environment

The exaggerated self-perception of India as the natural leader in this region with a hubristic approach towards the neighbours has become the significant point of disruption in the region. This aggressive position aggravates the risk of escalation, as witnessed in reflexive blame against Pakistan during such incidents as Pahalgam which places oneself into an artificial commitment trap further restricting decision space. Furthermore, the No-First-Use stance in India which is uncertain and subject to political influence, as well as the lack of institutionalized crisis-management procedures, is still undermining the stability of crisis, and the region remains exposed to instability.

Maritime Escalation and At-Sea Instability

The evolution of the SSBN force in India and the growth of anti-submarine nets in the area has presented a fresh threat of escalation on the sea in South Asia. The secrecy of the submarine-based nuclear command and control, introduces the potential of unintended escalation due to errors in misidentification or communication loss, and is a symptom of a broader threat that may not be limited to the maritime sphere.

Deterrence Stability

External Assistance and Counterforce Temptation

The technology that is being transferred to India due to strategic alignment with the United States and the West has greatly increased Indian capabilities in counter force. Combined with hyper-nationalism, these advancements make the temptation of a disarming first strike even more apparent, resulting in 1st strike instability and sharply raising the likelihood of nuclear conflict.

Arms Race Stability

Onset of Regional Arms Race & Dual Use Entanglement

The development by India of layered ballistic missile defence (BMD), MIRVed Agni-types and hypersonic glide vehicles (HGVs) as measures to increase survivability and deterrent credibility produces an incentive of the first strike and the perception of an impregnable shield. The combination of BMD logic of damage limitation, MIRV concentrated payload and maneuverability of HGVs makes the distinction between deterrence and combat unclear. These advances contribute to an arms race in the region, pushing opponents to develop arsenals, increase preparedness and develop counter-BMD. This ambiguity is aggravated by the increasing importance of dual-capable systems because traditional strikes may be interpreted as nuclear innuendo, which increases the perception problem and threatens to destabilize crises.

The Two-Front Facade

The Two-Front Dilemma of India is a strategic game but not a reality. Although the New Delhi military stance and the Western-funded capabilities are essentially made in response to the threat of Pakistan, it uses the threat of China as an excuse. This institutionalization of a hypothetical contingency ends up in a cycle of militarization and external enablement that further contributes to the insecurity of the region and undercuts the potential of strategic restraint.

Global Implications

India's Expanding Missile Reach: A Global Security Concern

Indian ballistic-missile modernisation has no longer been regional but inter-regional. With Agni-V, which is also an MIRV, and the planned Agni VI of up to 12,000 kms range, Indian arsenal is now able to cover portions of North America. This development is very dangerous to world peace and is an extension of Indian strategic ambitions endangering world peace.

Ripple Effects of India's Buildup - Emulation and Escalation Risks

The strategic rivalry between the United States, China and Russia is currently leading the world towards technological and nuclear modernization. To achieve great-power parity and recognition, India appears to be in the quest to keep pace with these developments and to upgrade its capabilities at the congruence of the major powers. But any move towards modernization in India disturbs regional strategic stability, forcing Pakistan to retaliate, thus triggering an arms race in South Asia. Through this, India becomes a transmission belt and transfers the impact of great-power competition to an already precarious regional deterrence equation.

Cyber and Space Entanglement

The cyberspace and the outer space are now subject to deterrence and stability with the intertwined satellites and computerized command systems being the heart of NC3. Sensors can be incapacitated using anti-satellite weapons, jamming, spoofing, and computer attacks, distorting the information, or disrupting communications, eliminating any early warning and not knowing who is behind the attack. These interruptions within various domains make it hard to distinguish between the normal strategic indicators and real preparations of attack, decreasing decision-making levels, and mislead the world-deterrence environment.

Great Power Alignment and Preferential Treatment

The alignment of India under the Indo-Pacific Strategy has turned into a global trigger of the rules-based imbalances where New Delhi is allowed the exemptions like the 2008 NSG waiver. This has allowed a lax atmosphere in which nuclear growth can take off at a rapid pace without normative constraints leading to counter measures by other powers and global instability in a broader pattern of great-power contention and norm subversion.

Concluding Thoughts

- As there is no trust in the bilateral dialogue and no reasonable channels of communication, crisis management can only take place through third party mediation.

- Long term stability entails institutionalization of permanent mechanism of crisis stability such as Nuclear Risk Reduction Centres, codified hotline procedures, and an Incident at Sea framework of the Arabian Sea and Indian Ocean with support international community in order to ensure that the security of the region is based on permanent mechanisms of crisis management and not a one-off crisis management.
- The international community must be actively involved in establishing strategic balance as opposed to preferential empowering India in order to have long-lasting stability of deterrent. An intermediary, which would lead to a fair distribution of innovated technologies and where Pakistan would be included in the export-control measures including the NSG, would prove to maintain stability in the region and avoid the development of the zero-sum game based on security.
- The arms-control system in the world is in need of renewal via comprehensive, verifiable and non-discriminatory disarmament systems. To renew vigor on the halted progress on fissile-material control, no use of non-nuclear strategic weapons and wider disarmament initiatives are all crucial in establishing again mutual confidence and to create a backlash of predictability in deterrence.

The region desires the world to remain alive to the potential nuclear menace.

Through equity, dialogue and strategic restraint, the international community can secure the stability in a region which harbors 43% of the population in the world. In case the world community falters, the probability of nuclear confrontation will start changing the looming threat of the nuclear catastrophe into a reality.

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APPLICATION OF NICHE & NETWORK-CENTRIC TECHNOLOGIES IN THE RUSSIA-UKRAINE WAR: LESSONS FOR PAKISTAN IN INTEGRATED MULTI-DOMAIN OPERATIONS

Ahsan Yousaf, Shujah Tariq Ikram, Muhammad Sumran Khan, Rameez Niaz, Faisal Raiz, Moeed Ali, Hein Aung Htet (Myanmar), Don Suresh Sanjaya Radalage, Sri Lanka

Abstract

Russia–Ukraine War represents the first large-scale contemporary conflict in which niche and network-centric technologies operated simultaneously across land, air, maritime, cyber, space, and electromagnetic spectrum, producing effects disproportionate to conventional force ratios. Despite possessing overwhelming firepower and advanced electronic warfare capabilities, Russia failed to achieve decisive operational success during the initial phases of the conflict due to centralized command structures and weak integration of sensors, decision-making and fires. Conversely, Ukraine, despite material inferiority, demonstrated how resilience, innovation, and network-centric integration enabled by unmanned systems, commercial satellite support and decentralized command can offset quantitative disadvantages. This paper analyzes the employment of niche and network-centric technologies in Russia–Ukraine War through the lens of Multi-Domain Operations (MDO) to accrue lessons relevant for Pakistan. It argues that future conflicts, particularly within South Asia's nuclearized environment, will be defined less by platform superiority and more by decision dominance, electromagnetic control, and resilient C5-ISTAR architectures. The study further examines Pakistan's employment of multi-domain effects during Marka-e-Haq in response to India's Operation Sindoor, highlighting both emerging strengths and enduring capability gaps. It concludes by proposing doctrinal, organizational and technological reforms to enable Pakistan to institutionalize MDO as a core warfighting paradigm.

Keywords: Multi-Domain Operations, Network-Centric Warfare, Niche Technologies, Russia–Ukraine War, Electromagnetic Spectrum, DOTMLPF-P, Space Based Independence, National Space Architecture, Tri Services C5-ISTAR.

Introduction

Contemporary battlefield is characterized by rapid technological integration in Land, Air, Sea, EMS, Cyber and Space domains where, application of niche and network centric technologies increasingly determine operational / strategic outcomes. Russia - Ukraine War clearly demonstrated this fundamental transition in character of war. While Russia with all her military might (overwhelming firepower, extensive stockpiles and sophisticated electronic warfare systems) entered the conflict, yet its campaign was marred by suboptimal integration of capabilities / ecosystem and centralized decision making. In contrast, Ukraine despite its material disadvantages, leveraged technologies of US / West (drones, commercial satellites and real time intelligence) to minimize Russian advantages and continued bold resistance. This contrast illustrates how innovation and adaptability can offset quantitative superiority. With Balakot and Pahalgam episodes in mind, South Asian stability paradigm points to development and application of niche and network centric technologies in any future conflicts. While today, India is undertaking rapid military modernization with significant investments in unmanned systems, precision munitions, cyber and space etc, Pakistan needs to capitalize on recent successes for remaining a step ahead.

Hence, the study aims at analyzing application of niche and network-centric technologies in Russia Ukraine War with a view to draw lessons for Pakistan. Paper will highlight strategic imperative to move beyond service centric approaches toward integrated Multi Domain Operations that synergizes effects across all domains, while fostering indigenous development and civil military academic collaboration. The ultimate objective is to draw roadmap for Pakistan to harness niche capabilities, adopt network centric approach and build a defense posture tailored to the evolving security calculus of South Asia.

The study is structured into four parts as under:

- The Evolution of Character of War & Conceptual Contours.
- Niche and Network Centric Technologies in Russia Ukraine.
- MeH and Operation Sindoor in MDO Environment.
- Recommendations.

Limitations of the study are as under:

- Conduct of operations covered to the extent required to contextualize use of niche and network-centric technologies.
- Coverage is limited to major technologies and their principal effects due to scale and fluidity of the war.
- Analysis relies primarily on open-source material due to lack of access to classified material

Evolution of Character of War and Conceptual Contours

Evolution of Character of War

The nature of war, coercive force employed to impose will, has remained immutable [1] while its character has continuously evolved primarily in response to technological transformation. Over the past century, this evolution includes Industrial Age's mechanized warfare [2] and introduction of air domain, the Nuclear Age's asymmetric and proxy conflicts [3] and the Information Age's shift toward Network-Centric Warfare. [4] By leveraging information technologies to generate precision, connectivity, and multi domain awareness across physical, information, cognitive, and social domains, these developments collectively reshaped the contemporary character of war and set the conceptual foundations for 21st century conflict.

Genesis of MDOs

The resurgence of Great Power Competition, accelerated technological progression and the militarization of new domains, vividly demonstrated in Crimea (electronic signature free little green men – 2014), Nagorno-Karabakh (drone warfare – 2020), and Hamas Israel conflict (AI enabled targeting and precision strikes – 2021) collectively precipitated the conceptualization of Multi Domain Operations (MDO). US Army defines MDOs as "The combined arms employment of joint capabilities to create and exploit relative advantages that achieve objectives, defeat enemy forces and consolidate gains on behalf of joint force commanders. MDOs are the Army's contribution to joint campaigns, spanning the competition continuum. [5] While the central idea remains the same, other definitions integrate the concepts of convergence, decision dominance, cross domain effects and multiple dilemmas.

Understanding Strategic Environment, Domains and Dimensions

US Army Doctrine describes strategic environment in terms of the competition continuum as three simultaneous relationships: cooperation, competition below armed conflict and armed conflict. Whereas it describes an operational environment as the aggregate of the conditions, circumstances and influences that affect the employment of capabilities and bear on the decisions of the commander. Operational environment includes portions of the land, maritime, air, space and cyberspace domains understood through physical, human and information dimensions.

In order to fully grasp the concept of MDOs, it is necessary to develop understanding of domains and dimensions.[6]

- **Domain**: Within the context of an operational environment, a domain is a physically defined portion requiring a unique set of warfighting capabilities and skills. Commanders must possess a functional understanding of how to request and integrate capabilities from other domains to support their operations, without needing technical mastery of those domains. New domains of cyber and space needs a short explanation.

- **Cyber**: This domain consists of the interdependent networks of IT infrastructures and resident data. A network that connects systems and it is congested, contested and critical to success.
- **Space**: The space domain is the physical realm beyond atmospheric effects that supports critical military, civil and commercial functions such as intelligence, early warning, communication and PNT. Forces must also train to operate even when these space-based capabilities are denied or degraded.
- **Dimension**: Understanding the physical, information, and human dimensions helps commanders assess the impacts of their operations.[7] Actions in one dimension influence the others. The physical dimension covers the material conditions like terrain, weather, forces, and electromagnetic spectrum that shape operational advantages.
- The human dimension involves people, their decisions, morale, and will, enabling influence over actors when effectively harnessed. The information dimension spans data and communication processes, providing advantage when forces exploit information while denying the enemy's ability to do so.

As combat is characterized by uncertainty and fleeting opportunities, multidomain operations require a mission command culture. This empowers leaders at all echelons to take disciplined initiative and make rapid decisions within the commander's intent to adapt while maintaining unity of effort. MDO tenets of agility, convergence, endurance and depth guide forces to act faster, integrate effects across domains, sustain operations and strike across the enemy's entire system. Its imperatives require forces to maintain situational understanding, create and exploit advantages, execute sound tactics, manage transitions and preserve combat power to win at acceptable cost.

As established, the character of war is likely to be technology driven, it is imperative to get basic understanding of two widely used terms of niche and disruptive technologies.

- **Niche Technologies**: Building on the literal meanings of the word, a recess in a wall or structure,[8] niche technologies in the military refer to specialized, high-impact technologies developed for specific operational needs or strategic advantages that are not widely used across all forces or domains. These technologies often provide unique capabilities in areas such as intelligence, surveillance, reconnaissance, electronic warfare, cyber operations, or precision strike thereby enabling asymmetric advantage or filling critical capability gaps.

- **Disruptive Technology**: The term disruptive technology was coined by Harvard Business School professor Clayton M. Christensen in his 1995 best-selling book, "The Innovator's Dilemma."[9] Clayton highlights that Disruptive Technology is the one which revolutionizes the field and completely changes the way things are done. In the defense sector, Centre for New American Security defines Disruptive Technology as "technology applied to a relevant problem in a manner that radically alters the symmetry of military power between competitors, which bear a direct impact on the existing policies, doctrines and organization."[10]

Global School of Thoughts

The Concept of MDO is currently in formative stage, without universally agreed definitions or standardized method of implementation. Each country is pursuing its own distinct approach, influenced by the factors of size, available resources and strategic ambitions. Despite this variability, several common characteristics can still be found[11].

- **UK's Concept of MDI**: A whole of government and allied framework that integrates military, national and partner capabilities to generate coordinated effects across all domains. [12] It emphasizes strategic orchestration over the US MDO's narrower, high intensity, A2/AD focused military approach.
- **Russian New Generation Warfare**: A multi-sphere strategy that prioritizes non-military tools of subversion, economic pressure and information warfare, to weaken adversary's will while combining precision strikes to cripple command and control early in conflict. This entire effort is a continuous, whole of government approach aimed at shaping the conflict environment below the threshold of declared war.[13]
- **China's Multi Domain Precision Warfare**: A systems confrontation approach using integrated domains, AI-enabled precision strikes and cognitive shaping to paralyze an opponent's system of systems and integrates electro-magnetic and cognitive domains in its concept. It seeks information dominance and rapid decisive outcomes through the PLA's intelligentized force structure[14].

Key Takeaways

- **Nature & Character of War**: Nature of war is likely to remain constant (involving violence); however, the character of war will remain evolving with technology as the main driver.
- **Human Nature: The Engine Behind Military Innovation**: Human nature, rooted in the dual impulses of progress and survival, functions as the enduring catalyst for innovation. This intrinsic drive continually generates technological advancements that migrate into the military sphere, as conflict and competition remain central to human civilization.
- **Data's Importance & Centrality in Future Warfare**: Build upon NCW by integrating joint and inter domain effects (land, air, maritime, space, and cyberspace) to achieve "decision dominance" across the competition continuum, reflecting a shift from platform centric to data centric warfare.
- **Domains as Dynamic Constructs in Evolving Conflict Landscape**: While contemporary doctrines identify five principal domains, the real strategic value lies not in rigid categorization but in the ability to identify, exploit and counter emerging domains of contestation (whether technological, cognitive, or informational) in future war.
- **Contemporary Conflict; A Whole of Nation Approach**: Global Military doctrines (NGW, MDPW, MDI) define contemporary conflict as a "multi-sphere" approach that integrates military action with all instruments of national power, demanding a whole of nation approach.
- **Knowledge; A New Strategic High Ground**: Increasing prominence of niche technologies such as advanced EW and cyber systems highlights the strategic necessity of cultivating a knowledge-based defense ecosystem, ensuring the intellectual and technological capacity to innovate, integrate, and counter disruptive capabilities in the evolving security landscape.

Niche and Network Centric Technologies in Russia Ukraine

Russia Ukraine war became the first major conflict shaped by niche and disruptive technologies operating simultaneously across land, air, maritime, cyber, space, and electromagnetic spectrum, making it a real-world test case for multi-domain operations (MDO).[15] In this part we will use MDO lens to analyse the employment of niche technologies in Russo-Ukraine war and conclude with a synthesis derived through the DOTMLPF-P framework.

Historical and Political Context

After the collapse of the Soviet Union, Ukraine's political trajectory moved gradually toward the West, a shift that Moscow watched with growing unease.[16] The 2004 Orange Revolution and the 2014 Euromaidan movement [17] accelerated this westward pivot, deepening Ukraine's engagement with Euro-Atlantic institutions. In response and driven partly by long-standing Russian concerns about NATO's proximity, Moscow seized Crimea and supported separatist movements in Donetsk and Luhansk.[18] These developments ultimately led to the full-scale Russian invasion in Feb 2022.

Doctrinal Roots

Russia and Ukraine emerged from the same Soviet military inheritance. Russian doctrinal divergence began with 2008 reform cycle after its invasion of Georgia, which sought to modernise C2, integrate ISR with manoeuvre and revive elements of Soviet Deep Operations through fires dominant campaign design and streamline force structure.[19] These reforms sharpened after 2014 but never produced a system capable of delivering the integrated operational shock Moscow believed would collapse Ukrainian resistance in 2022 [20] as Russia could not translate doctrinal expectations of synchronised ISR, EW and fires into workable manoeuvre under real-world friction[21].

Ukraine entered the war with no comparable formal doctrine but a far more adaptive, semi-decentralised operational culture. After 2014, Kyiv pursued a pragmatic blend of territorial defence, distributed C2 and network-centric techniques using Delta, GIS Arta and commercial space support.[22] This allowed Ukraine to substitute agility for mass, trading space for time, preserving C2 nodes and shaping Russian advances through dispersed kill-chains rather than linear defensive lines.[23] It is clear that neither Russia nor Ukraine entered the war with a formal MDO doctrine.

Politico Military Aims

Russia: Russia entered the war seeking political collapse in Kiev and the reassertion of strategic control over Ukraine. It aimed to force capitulation through a rapid thrust on Kiev, destroy Ukraine's C2 network and secure a land corridor to Crimea in order to prevent long-term Western alignment.[24] As the war stabilised, Russian aim shifted toward holding occupied territory and imposing an attritional settlement.[25]

Ukraine: Ukraine's overriding aim was state survival and preserving sovereignty.[26] Militarily, it prioritized blunting manoeuvre towards Keiv, maintaining C2 integrity and gaining time for external support.[27] As conditions stabilised, its aim expanded to recovering occupied territories and sustaining Western backing.[28]

Network Centric Architecture

Network centric architecture shaped tempo more than any single domain because it was the mechanism through which sensors, decision nodes and fires interacted across land, maritime, air, space and the electromagnetic spectrum.[29] Ukraine assembled a flexible, improvised NCW model using commercial SATCOM, distributed ISR and digital-fires networks, while Russia evolved a more centralized, EW heavy reconnaissance fire system.[30] Neither fielded a fully integrated NCW framework; both relied on fragmented kill chains linking sensors, EW, drones and artillery. In this environment, network resilience defined survivability and initiative[31]and despite the absence of formal MDO doctrine, the battlefield itself generated cross-domain interaction, even if the coordination was improvised or uneven.

Against this backdrop, niche and network centric technologies must be assessed within the conduct of operations rather than in isolation because their effects can then be captured through MDO lense. With this context established, we now examine how operations unfolded across the interconnected domains, beginning with the land domain.

Land Domain

In the land domain traditional combined arms forces strengthened by niche systems resulted in outcomes determined by adaptation and speed. A persistent human dimension underpinned these dynamics with junior leaders of both belligerents operating under constant ISR exposure and compressed decision cycles that rewarded improvisation.

- In Feb 2022, Russia's multi axis thrust toward Kyiv, Kharkiv and the south relied on BTGs premised on synchronised ISR and suppressive fires. This collapsed against Ukrainian forces fusing quadcopters, TB-2s, smartphone reconnaissance and Starlink connectivity into rapid ambush fires loops through Delta and GIS Arta. Russian cyber/ EW actions, including the Viasat KA-SAT attack were not aligned with manoeuvre and failed to degrade Ukrainian kill chains. With the spectrum permissive, Ukraine's networked fires repeatedly struck Russian columns[32]. Russia gained ground in Kherson, Melitopol and Mariupol but failed around Kyiv and withdrew from the northern axis by April[33].
- By mid-2022, fronts stabilised into positional attrition. Russian ISR grids deepened through Orlan-10/30, ZALA and thermal quadcopters.[34] As medium altitude drones were jammed, drone flight shifted below the tree line, where quadcopters exposed movements and firing positions at micro

terrain. Both sides improvised countermeasures, nets, decoys, anti-UAS teams alongside mine belts and trenches. Ukraine's successful late 2022 Kharkiv and Kherson counteroffensives, enabled by networked ISR and long range fires, restored temporary initiative before the front re-solidified by early 2023[35].

- Ukraine's summer 2023 counteroffensive confronted Russian defensive belts integrating Soviet era depth with ISR, EW and artillery synchronisation. Western ISR fusion tools improved Ukrainian targeting, but Russian EW frequently blinded drone overwatch. Without real time situational awareness, Leopard 2s, Bradleys and Marders advanced into channelised lanes and pre-registered kill zones around Robotyne–Mala Tokmachka. FPV drones, Lancet strikes and dense minefields imposed limits on manoeuvre. Ukraine liberated Robotyne but could not break toward Tokmak by autumn 2023[36].
- By 2024–25, the land war became a digital attrition ecosystem of massed UAVs, thickened EW, space ISR and industrial output. For most of the war, Ukrainian sensor-to-shooter cycles were accelerated by Palantir-supported data fusion while Russia fielded no comparable system. Russia expanded Lancet production, fielded fibre optic guided FPVs immune to jamming and scaled FPV swarms to 20-30 drone waves. EW "domes" hardened over key sectors; UMPK glide bombs degraded Ukrainian strongpoints and logistics nodes[37]. Ukraine adapted with long range UAV raids, deeper entrenchment and expanded FPV units but could not match Russian industrial output.[38]

These dynamics enabled Russian incremental gains Avdiivka (2024), Pokrovsk (Nov 2025) and continued pressure toward western Donetsk axis indicating shifting of balance towards Russia. By late 2025, both sides had mastered niche autonomy and digital kill chains, but Russia's larger industrial base converted digital attrition into slow territorial creep. Ultimately, the land domain acted as the integrator of cross domain effects; ISR, EW, air denial, maritime disruption and space enabled targeting, where technological and industrial asymmetries translated into ground outcomes.

Maritime Domain

The maritime war opened with clear Russian naval superiority. Blockade operations, Kalibr strikes and forward basing at Sevastopol and Novorossiysk allowed Moscow to dominate the north western Black Sea and restrict Ukrainian mobility around Odesa. With most of its navy lost after 2014, Ukraine lacked the ability to contest sea control conventionally and turned to asymmetric methods that progressively eroded Russian freedom of action.[39]

The decisive shift came with the sinking of Moskva on 14 April 2022. Enabled by a cross domain ISR picture; UAV spotting, coastal radars, ELINT cues and satellite supported targeting, Ukraine launched coordinated Neptune strikes that forced Russia to withdraw major surface combatants from the north western Black Sea.[40] This reduced Russia's capacity to operate near Odesa and compelled greater dispersal and standoff postures.[41]

From mid 2022, Ukraine rapidly integrated uncrewed surface vessels (Magura-V5, Sea Baby) using Starlink guided navigation, optical sensors and autonomous routing. Supported by TB-2s and commercial drones, these USVs turned Sevastopol, Russia's main repair and logistics hub, into a contested harbour. Multi wave USV/UAV raids damaged landing ships, fuel depots and a Kilo class submarine,[42] while USVs also targeted the Kerch Bridge. Ukraine also used UUVs like Marichka, though with limited operational impact. Russia responded by hardening port defences, deploying layered coastal EW and dispersing vessels to Sukhumi and Novorossiysk to protect the fleet but lost operational reach and increased maintenance strain.

By late 2024–25, the maritime fight settled into a littoral denial contest centred on Crimea and the eastern Black Sea. Russia prioritised survivability, avoiding close shore operations, while Ukraine used dispersed launch sites and multi axis USV approaches to sustain pressure on repair infrastructure, logistics and coastal nodes. The Black Sea Fleet increasingly limited itself to standoff Kalibr launches and harbour defence, avoiding exposure to Ukraine's ISR–USV networks,[43] Overall, the maritime war showed how niche autonomous systems, integrated ISR and land based fires allowed a conventionally weaker actor to impose sea denial against a superior fleet.[44]

Air Domain

Airpower shaped tempo but could not generate decisive manoeuvre. Russia opened with a classic SEAD/DEAD effort, Iskander and Kh-101/555 strikes and Su-34/Su-35 sorties intended to degrade Ukraine's IADS and create air access windows for ground thrusts. Ukraine's post 2014 reforms had produced a mobile, emission controlled IADS built around dispersed S-300 and Buk batteries, decoys and rapid relocation. Russian aircraft suffered 60–90 losses in 2022 (vs. 15–25 Ukrainian).[45] denying Moscow the sustained medium-altitude access needed for combined-arms exploitation. This failure of traditional airpower created the conditions in which niche and disruptive aerial technologies like drones, LRVs, glide weapons and ISR fusion became the primary generators of air effects.

From late 2022, Western systems including Patriot, IRIS-T, NASAMS tightened Ukrainian air denial, while Ukrainian SAM traps near Izium and Kherson reinforced Russian caution. Russia increasingly used Shahed-136 drones to trigger radar emissions, a method that improved when paired with loitering reconnaissance vehicles (LRVs) for real time cueing. Ukraine extended its reach with Beaver and UJ-22 long-range drones, striking airbases and logistics nodes in Crimea and western Russia.[46] By 2023, the air war had consolidated into a drone and LRV driven contest. Russian Lancet and Orlan-10 systems shaped frontline fires, while Ukrainian TB-2s, Shark UAVs and long range drones supported Storm Shadow/SCALP-EG strikes on Luhansk and Crimean infrastructure. EW contestation degraded medium altitude UAVs on both sides, TB-2, Leleka-100, Orlan-10, Eleron-3 forcing a shift toward cheap, expendable, low altitude systems launched from dispersed sites.[47]

Ukraine's most sophisticated air effect without air superiority was Operation Spider Web, an MDO integrated strike that fused commercial satellite imagery, cyber reconnaissance, EMS resilient navigation and long range UAVs to hit the Engels and Dyagilevo bomber bases while avoiding nuclear linked infrastructure demonstrating strategic level air impact generated through non traditional means.[48] By 2024–25, Russia leaned heavily on UMPK glide kits, converting FAB bombs into 30–50 km standoff weapons after losing medium altitude access. Ukraine used the air domain chiefly as an ISR and precision strike corridor. In this environment, niche aerial systems, synchronised through multi domain integration, produced the air domain's most meaningful effects on the ground.

Electromagnetic Spectrum Domain

The electromagnetic spectrum became one of the war's most decisive arenas, shaping survivability, tempo and the effectiveness of every other domain. Russia entered with substantial EW assets, Krasukha-4, Leer-3, Pole-21, Shipovnik-Aero designed for linear, echeloned manoeuvre rather than a rapid multi axis thrust. EW brigades could not keep pace with BTGs during the Kyiv advance, creating a permissive spectrum window that Ukraine fully exploited. This brief EMS freedom empowered Ukrainian kill chains led to the failure of Russia's opening campaign.[49] As the front stabilised, Russia restored EW coherence. Coverage expanded, degrading medium altitude UAVs and disrupting GPS, uplinks and telemetry. EW pushed downward battalion and company level, creating overlapping "bubbles" that suppressed Ukrainian drone overwatch and forced ISR launch points deeper into the rear. Ukraine countered with frequency hopping links, wired FPVs and dispersed operators but EMS friction became a persistent limiter on both land and air tempo.[50]

Russia increasingly paired Shahed waves with LRVs to provoke radar emissions and cue Lancet or artillery strikes. Ukraine formed ad-hoc EW cells to disrupt Lancets, blind Russian quadcopters and protect FPV swarms. By 2023–24, EMS contestation dictated frontline survivability, units visible to drones were rapidly targeted, while those operating inside EW shadows endured longer.[51] At the strategic level, Russia employed Tobol systems and GNSS spoofing belts around Crimea, Melitopol and the Azov coast to misroute long range UAVs and degrade navigation. Ukraine adapted with multi constellation receivers, inertial backups and varied ingress routes to penetrate these zones sporadically.[52] By 2024–25, operational tempo hinged on EMS windows, short periods when jamming weakened or exploitable seams opened. EW became the integrator of offence and defence determining when ISR functioned, when drones survived and when precision fires achieved effect. EMS contestation locked the conflict into an attritional pattern in which Russian industrial mass provided enduring advantage.[53]

Space Domain

Space based capabilities underpinned C2, ISR and long-range fires throughout the war. After Ukraine's national communications network suffered heavy disruption in early 2022, the rapid fielding of Starlink restored operational connectivity for C2, ISR distribution and digital fire control tools such as Delta and GIS Arta.[54] Commercial imagery including Maxar, Planet and synthetic aperture constellations provided high frequency updates that supported ambushes around Kyiv and later enabled HIMARS strikes against Russian logistics hubs in Kharkiv and the south,[55] giving Ukraine a level of situational awareness disproportionate to its capabilities.

Russia countered with expanding navigation warfare measures. GNSS spoofing and GPS denial belts complicated long range UAV routing and artillery correction[56] while Moscow claimed use of Tirada-2S to disrupt satellite links.[57] Tobol complexes attempted to interfere with Starlink uplinks and downlinks along the Crimean and Donbas axes.[58] Russia's Liana and Persona reconnaissance satellites improved deep targeting but remained limited by revisit rates[59] and difficulty maintaining continuous custody of mobile Ukrainian units, enabling only episodic strike optimisation rather than persistent ISR.

By 2024–25, both sides moved toward localised space integration. Ukraine dispersed Starlink terminals, used multi constellation receivers and paired satellite feeds with inertial backups for deep strike UAVs.[60] Russia built layered navigation warfare grids along the Azov–Crimea corridor to misroute or degrade incoming drones.[61] In practice, space became a precision enabler, generating intermittent windows for targeting, navigation and digital C2. Integrated with EW, cyber and long-range fires, space effects became a core element of the war's multi domain character.

Cyber Domain

Russia opened the cyber campaign with an attempted strategic shock. Hours before the invasion, the Viasat KA-SAT attack disabled thousands of terminals across Europe, disrupting Ukrainian C2 and mobilisation data flows.[62] Coordinated wipers, Hermetic, Isaac and Caddy hit ministries and financial institutions.[63] These attacks caused disruption but not paralysis as Ukraine activated resilience protocols, shifted to fallback links and migrated critical registries, C2 nodes and government services to Western cloud infrastructure, restoring continuity within days.

By mid 2022, cyber activity shifted from strategic disruption to operational friction. Russian intrusions targeted rail signalling, logistics software and power utilities to slow troop movements and complicate grid management. Breaches attributed to APT28 forced temporary manual scheduling on key rail corridors.[64] Ukraine, supported by West, neutralised many penetrations and used cyber to expose Russian vulnerabilities. Ukrainian units and volunteer IT Army teams disrupted signaling in Bryansk and Rostov and penetrated regional administrative servers, delaying mobilisation. Cyber operations increasingly synchronised with battlefield events: Russia probed Ukrainian target databases to preempt HIMARS strikes.

From 2023 to 2025, cyber warfare settled into persistent intrusion and tactical enablement. Russia intensified GRU/Sandworm phishing and lateral movement campaigns against infrastructure and UAV control networks.[65] Ukraine expanded automated defence, AI-driven anomaly detection and hardened battlefield networks. Russia increasingly paired cyber intrusions with missile barrages to create coordinated cyber missile strike sequences.

Cyber did not deliver independent decision, but it preserved the digital backbone through which land, air, maritime, EMS and space effects were synchronized becoming a quiet enabler of multi domain tempo. While the information dimension and limited AI-enabled influence activity remained persistent throughout the conflict, their effects did not materially shape battlefield tempo or the functioning of ISR, fires and EMS contestation.

Strategic Technologies

Russia's strategic weapons like Sarmat, Avangard, Kinzhal, Poseidon and Burevestnik served primarily as deterrent boundary setters, not battlefield instruments. Their central function was to define the escalation ceiling by signaling that certain thresholds like deep strikes on nuclear-linked sites, long-range Western missiles or direct NATO involvement carried risks of uncontrolled escalation.[66] This strategic backdrop shaped Western decisions on aircraft transfers, long range fires and authorisations for Ukrainian deep strikes more than any battlefield development.[67]

Key Takeaways

Key takeaways derived from DOTMLPF-P-I framework are as follows:

- **Doctrinal Vacuum**: The absence of a formal MDO doctrine forced reactive, costly adaptation on both sides underscoring the urgent need for Pakistan to develop an integrated tri-service MDO doctrine.
- **Network Resilience is a Critical Enabler**: Digitised C2 and resilient sensor-to-shooter networks shaped tempo far more than platform inventory making a survivable, multi-path C5ISTAR architecture non-negotiable for Pakistan.
- **Unmanned Systems as Core Combat Elements**: Unmanned systems across air, land and maritime domains delivered decisive sensing and strike effects at low cost, making unmanned systems a core combat element. Pakistan must build an integrated tri-service unmanned systems ecosystem anchored in indigenous design and mass production.
- **EMS Dominance Determined Survivability**: Control of the electromagnetic spectrum proved more decisive than armor or firepower demanding a major investment in layered EW, NAVWAR and EMS-literate personnel across services.
- **Space-Based ISR and SATCOM are Critical Enablers**: Commercial imagery, multi-constellation PNT and SATCOM were essential for all long-range effects making the development of a sovereign or assured space architecture a strategic priority for Pakistan.
- **Cyber is a Persistent Enabler**: Cyber operations created friction but no decisive blows; their value lay in cyber-kinetic integration. Pakistan must develop integrated cyber strike cells and harden national C2 networks.
- **Human Adaptability as a Strategic Imperative**: Small, empowered drone, EW and cyber teams delivered outsized battlefield effects where top-down structures faltered, demonstrating the value of tactical autonomy and improvisation. Pakistan must institutionalise bottom-up adaptation and devolved decision making within doctrine, training and force design.

- **Advanced Technology Eco System**: AI, data-fusion and advanced niche technologies shaped targeting and decision-speed, underscoring Pakistan's need for an integrated innovation ecosystem linking academia, industry and the services.

Operation Marka-e-Haq (MeH) and Operation Sindoor in MDO Environment

MDOs in MeH and Operation Sindoor

On 7 May 2025, India launched Operation Sindoor; missile strikes campaign targeting; what India described as militant infrastructures inside Pakistan and in Azad Jammu & Kashmir (AJK).[68] Pakistan responded with "Marka-e-Haq"; a coordinated and synergetic multi domain operations employment and negated Indian narrative that only civilian population and mosques were targeted (33 shaheed and many injured). A comparative analysis of MeH and Operation Sindoor across multiple domains is under mentioned: -

- **Land Domain**: In this domain, both Operation Sindoor and MeH demonstrated controlled and limited-scope engagements; aimed at achieving deterrence without provoking large scale escalation.
  - Sindoor relied on Long Range Vectors (LRVs), small caliber fires and limited artillery shaping actions. Effect was some civilian's infrastructure got damage (including mosques).
  - MeH replied by incorporating medium caliber and Guided Multiple Launch Rocket System (GMLRSs) fires (neutralize adversary forward military positions and infrastructure).
  - Overall, both sides no major deployment of forces and land maneuvers.
- **Maritime Domain**: During Operations Sindoor and MeH no maritime engagement took place.
  - Sindoor emphasized patrols and ISR for maritime security.
  - While in MeH Pakistan's ensured safeguard of maritime interest and seaward defense. PN immediately mobilized, completed the operational deployments and maintained vigilance.
  - However, no niche technology use was seen from either side.
- **Air Domain**: Operation Sindoor and MeH both employed advanced airpower elements such as combat aircraft equipped with stand-off

weapons (SOW) and Beyond Visual Range (BVR) capabilities, loitering munitions supported by AWACS and Unmanned Aerial Vehicles (UAVs) for Intelligence, Surveillance and Reconnaissance (ISR).

- Operation Sindoor highlighted the Indian ability to conduct rapid, precise strikes inside Pakistan territory, Battle Damage Assessment (BDA) and targeting accuracy through efficient ISR integration. However, IAF was unable to shot down any PAF combat aircraft. Moreover, their loitering munitions mostly flown over civilian areas.
- In contrast, MeH incorporated integrated MDOs to achieve; synergetic effects base targeting. Pakistan synchronized employment of kinetic and non-kinetic means resulted in downing six enemy aircraft including Rafales and AD system S-400. Moreover, there were hundreds of loitering munitions and hypersonic missiles that engaged military targets deep inside India with precision. Overall, aim was to achieve ascendancy in effects, so that escalation can be controlled throughout the conflict.

- **Electromagnetic Spectrum (ESM)**
  - In Operation Sindoor, no tangible offensive EMS employment was observed, resulting in no effects.
  - Conversely, Operation MeH demonstrated an integrated and enhanced technological readiness in the electromagnetic domain to deteriorated situational awareness of adversary and achieve favorable effects. Jamming systems were effective in creating effects in synergy with employments of other assets.
- **Space Domain**
  - Operation Sindoor used satellite imagery, communication and BECA enabled ISR for precise targeting and BDA.
  - During MeH Indian SATCOM links was denied through jamming. Moreover, Pakistan relied on others satellite along with own ISR assets, ensuring accuracy but lacking own real-time assessment capability.
- **Cyber Domain**: Cyber is relatively a new domain in C^2 architecture.
  - Operation Sindoor emphasized defensive cyber measures; network hardening and offensive attack on Pakistani websites.

- MeH advanced further, integrating limited cyber offensive intrusions and defensive hardening, causing temporary disruptions of websites and services (power grids) while maintaining strong digital defense and operational continuity.

Network Centricity; MeH and Operation Sindoor

MeH and Operation Sindoor are South Asia's first true test of network centricity. Sindoor marked a significant step in India's evolution toward NCW by integrating different domains under a unified C2 structure. Using assets such as Integrated Air Command and Control System (IACCS),[69] AWACS platforms, satellite and UAV based ISR, India achieved sensor to shooter connectivity. These assets enabled rapid precision targeting, minimized collateral damage, and provided accurate BDA.[70] However, full scale services integration / interoperability has not been achieved by Indians. In contrast, Pakistan demonstrated compressed kill chain timelines, faster OODA loops, and multi-domain coordination, forming a unified integrated network. Pakistan network centric environment comprises of integrated command and control networks, drones, ISR, air/ ground based radars, EM, cyber etc.[71] Overall, effective integration of sensors and shooters with C2, superior situational awareness and faster decision-making enabled Pakistan to achieve desired objectives.[72]

Key Takeaways as Per DOTMLPF-P73 Framework

India despite having quantitative advantage along with potent platforms demonstrated limited effectiveness. Whereas, Pakistan, despite fewer high-end assets, demonstrated faster adaptation, empowered leadership and effective C2 employment, resulting in greater MDO synergy at organizational, training, personnel, and facilities levels. However, both sides were having limited integration / interoperability along with absence of joint services MDO doctrine. Overall, Pakistan achieved a more agile, synergetic and operationally effective MDOs employment. Key takeaways derived from DOTMLPF-P-I framework are as follows:

- **Evolving Character**: Evolving Character of war shows that air dominance is now defined not just by combat aircraft; but also, by technological superiority, all domains seamless coordination and synergetic employment.
- **Tri Services Doctrine**: The emerging operational environment in Pakistan reflects needs for Tri services MDOs doctrine; where land, air, maritime, cyber, space and EMS are fused into one coherent scheme.
- **Tri Service Integration**: Decision superiority now relies on full scale integrated Tri service assets, real time interoperability and indigenous C5-

ISTAR, enabling faster sensor to shooter actions, greater battlespace transparency, and sustained operational tempo in future, time-compressed conflicts.

- **Indigenous UAS & C-UAS Development**: Scaling up an indigenous UAS fleet (ISR, loitering munitions, FPV etc) and low-cost C-UAS is necessity of present era. Moreover, integrate both with C5-ISTAR and AI decision aids to enable persistent surveillance and resilient sensor to shooter cycles.
- **Space Based Independence**: Operational constraints arising from limited satellite access hindered timely battle damage assessment and targeting precision. In the evolving MDO context, this shortfall underscores the growing significance of sovereign space-based ISR and protected communications to sustain operational autonomy.
- **MDOs Training**: Achieving coherent air, land, maritime employment; depends on the deep institutionalization of MDOs within Professional Military Education (PME) and training culture.

Recommendations / Way Forward

Russia Ukraine War has reshaped the character of modern conflict, demonstrating how niche capabilities can fracture an adversary's decision cycle and deliver decisive advantages in targeting, survivability and operational tempo even within highly contested environments. These evolutions if fully absorbed into MDO, will redefine how future wars are conceived, initiated, and fought. Pakistan has already stepped into the arena of MDO, yet its doctrinal, institutional and technical architectures require deliberate modernization to achieve true future readiness. The following recommendations, structured around a tailored DOTMLPF-P-I framework, outline the reforms necessary to transform Pakistan's armed forces into a coherent and adaptive fighting force.

Tri Services MDO Doctrine

- **Policy Objective**: Formulate a Tri Services Doctrine by Headquarters Defense Forces, aligning all three services under one doctrinal umbrella for MDOs.
- **Problem Addressed**: Fragmented service specific doctrines limit integration, slow decision making and reduce effectiveness in multi domain conflicts.

Implementation Strategy

Responsibility	Action Required
DF HQ (JW&T Br)	Issue directive creating a Joint Doctrine Board; assign overall responsibility for drafting and approval.
GS Branch (Army GHQ)	Lead drafting of the Joint Warfare Doctrine in coordination with Air HQ, Naval HQ and SPD.
Service Doctrine Cells (Air & Naval HQs)	Nominate officers for inter-service working groups; align service doctrines with the emerging joint framework.
NDU, PNWC and AWCI	Provide research, doctrinal review, and validation through wargaming and academic input.
PME Institutions	Integrate approved doctrine into curricula and exercises.

Reorganizing & Enhancement of Electronic Warfare Capacity in Pakistan Armed Forces

- **Policy Objective**: Reorganization, development and institutionalization of a layered EW capability within the Pakistan Armed Forces specially Army and its integration. Extending EW detection, protection and electronic attack functions to ensure electromagnetic spectrum control and enhanced survivability in high tempo, technology driven operations.
- **Problem Addressed**: Current EW capacity across Pakistan's ground forces remains limited and operationally constrained. This restricts real time detection of adversary emissions, jamming / deception options and leaves maneuver units vulnerable to hostile SIGINT/ELINT, drone threats, and precision strike systems in contested electromagnetic environments.

Implementation Strategy

Responsibility	Action Required
Army Headquarters (GS Branch)	Issue directive for development of Electronic Warfare Enhancement Program and formalize expansion of EW units. Formulate overall EW architecture, spectrum management policy, and equipment standardization roadmap.
Military Operations Directorate	Incorporate EW support tasks into operational planning, war-gaming, and field exercises. Ensure EW units are embedded in combined arms operation during all major training cycles to validate employment concepts.
NASTP, NRTC and Private sector	Facilitate R&D collaboration with domestic industry and allied suppliers for sensor fusion software and AI-driven analytics.

MDO Training Regime

- **Policy Objective**: Embed MDO concepts, cyber, space and EMS literacy and basic joint skills across all PMEs so that every soldier, sailor and airman graduates with MDO awareness and relevant skills.
- **Problem Addressed**: Current training lacks planners and force conditioned to operate under contested EMS, degraded communication or multi-domain tempo. Effective MDO requires mass competency across all ranks.

Implementation Strategy

Responsibility	Action Required
DF HQ (JW&T Br)	Issue directive mandating MDO curricula across PMEs; set minimum learning outcomes by level.
Recruitment & Basic Training Centre (Army/AF/Navy)	Add a MDO Basic Awareness Module.
Officer Commissioning & Junior Officer Courses	Teach MDO awareness with situation based practical drills.
Respective Staff Colleges, NDU, PNWC & AWCI	Deep joint planning, campaign level targeting cycles, Space/ Cyber/EW effects integration.

Development of Tri Services C5-ISTAR

- **Policy Objective**: Capability enhancement of existing command & control systems which are fully interoperable C5-ISTAR system across tri services, enabling real time data integration / fusion including AI, decision making, and cross domain synchronization.
- **Problem Addressed**: Current command & control networks and sensor systems operate in limited integration. Lack of a unified data backbone limits situational awareness, slows decision cycles and weakens the ability to integrate ISR, cyber, and kinetic effects during high tempo operations.

Implementation Strategy

Responsibility	Action Required
DF HQ (Air HQ as office of primary interest)	Issue directive for enhancing Tri-Service C5-ISTAR Program. Approve overall architecture, data standards, and integration roadmap.
Respective services Operations Directorate	Lead design of the secure data backbone and communication nodes connecting Army, Air Force, and Navy networks.
NASTP	Facilitate R&D collaboration with domestic industry and allied suppliers for sensor fusion software and AI-driven analytics.

Capacity Building of National Space Architecture

- **Policy Objective**: Establish an integrated military space program, centered on indigenous and allied supported satellite constellations for navigation, communication and real time ISR functions, providing uninterrupted space based support to land, air, maritime, and cyber operations.
- **Problem Addressed**: Pakistan's dependence on foreign commercial satellite data and navigation services constrains operational autonomy. Lack of sovereign satellite assets exposes vulnerabilities in communication, targeting, and PNT (Positioning, Navigation & Timing) resilience during conflict or electronic denial.

Implementation Strategy

Responsibility	Action Required
SUPARCO / Strategic Plans Division (SPD)	Develop dual use satellite program for secure communication, electro optical and SAR imagery, and navigation capability. Ensure redundancy and anti-jamming resilience.
SPD / Cyber & EW Directorate	Provide encryption, frequency hopping and anti-jamming protocols to secure space links.
MoD / National Industrial Partners	Collaborate on satellite development, launch services and ground station infrastructure through joint venture & public private partnerships.
MoD	Mutual agreement for assured real time imagery acquisition.

Enhanced UAS & C-UAS Capability

- **Policy Objective**: Build an integrated UAV & C-UAS that expands ISR/ strike drone capacity across services, field counter drone defenses for force protection and critical infra and ensures industry / logistics support for scale and sustainment.
- **Problem Addressed**: Adversaries increasingly use of ISR and strike drones including swarms to probe and attrit. Pakistan needs both expanded indigenous UAV options (endurance, precision effects, swarm employment) and hardened / layered defenses.

Implementation Strategy

Responsibility	Action Required
DF HQ	Mandate a Tri-Service UAV & C-UAS Coordination Cell; set national performance requirements and interoperability mandates.
Tri Services Operations Directorate	Expand ISR/ strike UAS inventory; integrate UAS targeting into joint fires; field mobile short-range C-UAS for critical infrastructure.
MoD / National Industry (NESCOM, NASTP, private SMEs)	Rapidly scale indigenous manufacture/ assembly of UAS / C UAS, datalinks and spare parts.

Conclusion

The Russia Ukraine war has demonstrated that contemporary conflict is shaped by technological advancements and ability to synchronize effects across land, air, maritime, cyber, space, and EMS. Pakistan's demonstration of Multi Domain Operations during MeH was a landmark moment, but the complexity, speed and technological density of future conflicts demand far deeper institutional adaptation. In a nuclearized environment marked by high escalation risks and technologically sophisticated adversaries, MDO is no longer optional, it is a strategic imperative. Achieving decision superiority through converged ISR, resilient and secure communications, resilient C2 and adaptive leadership will provide Pakistan the operational credibility and strategic flexibility required to shape the environment, contest adversary initiatives, and prevail across full spectrum of conflict.

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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON GEOPOLITICS, WARFARE AND NATIONAL SECURITY: IMPLICATIONS FOR PAKISTAN

Muhammad Sheheryar, Hasan Aziz Ansari, Waqar Ahmed Awan, Haroon Aziz Jafry, Amir Imran Cheema, Imran Mahmood, Turki Bin Abdul Rehman Alshehri (KSA), WADC Wijesinghe (Sri Lanka)

Abstract

Artificial Intelligence is rapidly reshaping the geopolitical environment, the global digital order and the character of modern warfare. The scale of this transformation is so extensive that no state can manage its consequences in isolation. Major powers are treating AI as a strategic domain, placing restrictions on critical technologies, forming tech-alliances and accelerating incorporation of AI in military modernization. AI-enabled military systems and cyber capabilities are beginning to influence national security across diplomatic, military, economic and internal dimensions. For Pakistan, these developments present both opportunities and challenges. While AI offers potential for economic development, governance reform and defence modernization; the country still faces significant gaps in infrastructure, data governance and institutional coordination. Addressing these challenges requires a coherent national strategy that integrates technological development with broader national security planning. In an international system, where technological capability is shaping influence and power, Pakistan's ability to adapt to the AI revolution will play an important role in determining its future strategic position.

Keywords: Artificial Intelligence, Geopolitics, Warfare, National Security, Pakistan.

Introduction

Artificial Intelligence (AI) has emerged as one of the most decisive arenas of strategic competition in the twenty-first century. Its influence extends beyond technological progress to encompass industrial resilience, national security and international influence. The global race for AI can be analyzed through the **AI Stack**; a structured framework composed of four interrelated layers: Infrastructure, Data, Models and Governance.[1] Each layer represents a distinct but interconnected dimension of national power. Control over these layers determines who develops, regulates and benefits from AI innovation, making AI a defining feature of modern geopolitics.

Infrastructure Layer

At the foundation of AI capability lies computational power. The semiconductor ecosystem including GPUs, foundries and fabrication equipment defines a nation's capacity to train and deploy large-scale AI systems. The United States dominates the **GPU** market through NVIDIA, which powers more than 80 percent of global AI computing clusters. Taiwan's TSMC holds approximately 68 percent of global foundry market share, followed by Samsung at 8 percent and China's SMIC at 11 percent, primarily serving domestic demand. ASML, headquartered in the Netherlands, remains the sole producer of Extreme Ultraviolet (EUV) lithography machines essential for chips below 7 nanometres.[2] Due to U.S.-led export restrictions, China has access only to Deep Ultraviolet (DUV) systems, restricting its ability to produce cutting-edge semiconductors. This has created a technological chokepoint that defines the current global hierarchy in compute infrastructure. Beijing has responded by investing over $150 billion in domestic chip design and fabrication facilities, aligning with its long-term goal of technological self-reliance.[3] AI expansion is rapidly transforming global energy demand. According to the International Energy Agency, data centres and AI-related computing could consume more than 1,000 terawatt-hours (TWh) of electricity by 2030 which is equivalent to the entire energy consumption of Japan.[4] China currently leads global power generation with 10.1 kilo Terawatt-hours (KWh) annually, followed by the United States at 4.4 K TWh.[5] AI hardware also depends on critical minerals required for semiconductor and battery manufacturing. China dominates global refining and export of antimony, gallium, germanium, indium, tungsten, magnesium and graphite.[6] Russia, South Africa, Brazil and Australia have critical minerals reserves but China controls more than 60 percent of global refining capacity.[7] Recent export restrictions imposed by Beijing on gallium and germanium have exposed global vulnerabilities in the semiconductor supply chain.[8]

Data Layer

Western digital ecosystems are dominated by platforms such as Google, Meta and Microsoft, which collectively manage petabytes of global user data. Chinese platforms such as WeChat and TikTok have expanded rapidly across Asia, Africa and the Middle East, reshaping the digital landscape.[9] These parallel ecosystems reflect competing philosophies: the Western model emphasizes open data flows under regulatory oversight (e.g., GDPR), while the Chinese model emphasizes data sovereignty under centralized state control. This divergence defines the emerging structure of global digital governance. Data is the essential resource for AI model training. The global distribution of data centres reveals a clear imbalance: the United States hosts roughly 51 percent of total capacity, Western Europe about 16 percent and China approximately 12 percent.[10] Together, the U.S. and Europe control nearly two-thirds of the world's data processing infrastructure.[11] China, however, has pursued a model of data localization, requiring that information generated by its 1.3 billion users remain within its borders. This policy has produced one of the largest closed data ecosystems in the world, offering China access to user data for AI development.

Models Layer

In 2025, Chinese researchers filed 35,315 AI patents, compared with 12,077 filed by researchers in the United States.[12] This disparity reflects China's emphasis on industrial innovation and state-backed R&D programs. Over 70 percent of these patents relate to natural language processing, computer vision and generative modelling. Chinese models have demonstrated remarkable efficiency. The DeepSeek R1 model can process 1 million tokens at a cost of approximately 2 USD, compared to 15 USD for open AI GPT.[13] Following the model's release in early 2025, NVIDIA's market value fell by nearly 600 billion USD, reflecting investor concerns over changing computational demand. This event, known as the 'DeepSeek Moment', illustrates how AI innovation can have direct global financial repercussions.

AI Impact on Geo-economics

Artificial Intelligence (AI) is transforming the global economic landscape by reshaping trade flows, production systems and labor markets. Its diffusion marks the onset of a new industrial paradigm where data and computational capacity define comparative advantage. AI-driven automation, predictive analytics and intelligent manufacturing are expected to enhance global productivity while disrupting traditional employment and trade structures. The impact of AI on geoeconomics can be understood across three major dimensions: trade dynamics, global supply chains and labor markets. The AI chip industry represents the hardware foundation of the digital economy. It is projected to grow from USD 63.3 billion in 2024 to USD 300 billion by 2029, reflecting an annual compound growth rate of approximately 20.4 percent. The Asia–Pacific region is expected to account for the largest share of this expansion, driven by manufacturing capacity in Taiwan, South Korea and China.[14] AI is projected to contribute an additional USD 15.7 trillion to the global economy by 2030, primarily through gains in labor productivity and consumer demand.[15] Productivity growth will stem from process optimization, predictive maintenance and intelligent supply chain management, while consumer-driven growth will result from new AI-enabled services and products. This addition represents nearly 14 percent of total global GDP, equivalent to the combined output of China and India today. Major economies, including the United States, China and members of the European Union, are expected to experience the most pronounced gains due to advanced digital infrastructure and higher AI adoption rates. AI adoption is expected to alter global employment landscapes, but its effects will vary sharply across income levels. In low-income economies, approximately 76 percent of jobs are not exposed to AI due to limited automation potential.[16] In middle-income countries, around 50–60 percent of jobs remain insulated from AI disruption, mainly in agriculture and informal sectors. By contrast, high-income economies face the greatest exposure, with up to 60 percent of roles in finance, information technology and services likely to experience automation or task substitution.

Implications of AI for Comprehensive National Security

Artificial Intelligence represents not merely another technology requiring sectoral adaptation but a fundamental restructuring of power, agency and international relations. The implications for national security transcend traditional military, economic and diplomatic domains to challenge basic assumptions about sovereignty, human decision-making and civilizational continuity. Nations confront comprehensive competition over technological capabilities that determine prosperity, military effectiveness and information environment control simultaneously across all dimensions of state power.

Diplomacy

Control of AI capabilities has become a tool of geopolitical coercion and influence. The United States restricts exports of advanced AI GPUs and fabrication equipment to China under the CHIPS and Science Act (2022), while the European Union's AI Act (2024) seeks to export ethical AI governance norms globally.[17] Access to AI technologies now determines participation in high-value supply chains, making AI a core component of statecraft. Technological sovereignty is equated with strategic autonomy, transforming AI into a determinant of diplomatic influence. *Strategic cooperation is increasingly framed around AI research, chip fabrication and digital standards*. The Chip 4 Alliance (U.S., Japan, South Korea, Taiwan) coordinates semiconductor supply chains and research funding, while the EU–U.S. Trade and Technology Council (TTC) harmonizes AI governance and export control regimes.[18] The emergence of "technology alliances" blurs the distinction between economic partnership and security cooperation, redefining traditional alliances around shared technological interdependence. *Multinational technology firms now operate as quasi-diplomatic actors shaping global AI governance*. Firms such as Microsoft, OpenAI, NVIDIA and Google have negotiated directly with states on AI model access, data localization and cybersecurity cooperation.[19] The diffusion of diplomatic authority to private corporations weakens state control over strategic technologies and introduces commercial interests into the fabric of international relations.

Information Dimension

AI has revolutionized the information environment, transforming how states control narratives, defend cyberspace and manage societal cognition. While enhancing analytical precision, it simultaneously creates vulnerabilities in perception management, cognitive autonomy and truth verification. *Overreliance on AI systems risks eroding human cognitive independence.* Since AI models are trained on data drawn from specific cultural and political contexts, they inevitably carry embedded biases and narratives. When models developed in dominant information ecosystems influence global content flows, they shape how societies perceive truth, legitimacy and authority. During the Russia–Ukraine conflict, AI-driven news feeds and recommendation algorithms on platforms such as X and TikTok amplified selective narratives, shaping public sentiment and political alignment through algorithmic bias. The diffusion of external narratives through AI systems weakens cognitive resilience, enabling influence operations to penetrate domestic discourse and distort collective decision-making within democratic and security institutions. *Generative AI is eroding the integrity of the information domain by producing deceptive and synthetic content.* AI-generated deepfakes have been used to influence voter behavior and public sentiment across multiple elections. NATO's AI Strategy (2024) explicitly flags "AI-driven disinformation" as a security threat. The weaponization of synthetic media transforms information into a strategic domain of warfare.

Economic Dimension

AI's integration into national economies drives competitiveness and strategic dependency, transforming trade, labor markets and industrial policy into instruments of power. *Nations leading in AI innovation gain strategic control over global economic networks.* The PwC Global AI Study (2023) projects AI to contribute $15.7 trillion to global GDP by 2030, primarily benefitting the U.S., China and EU. *Automation is displacing traditional jobs and alters labor structures.* The McKinsey Global Institute (2023) estimates that 400 million workers may need to transition to new roles by 2030.[20] Labor displacement without adequate reskilling could lead to social unrest, political instability and declining state legitimacy. Unequal AI adoption deepens global economic divides. AI concentration could marginalize developing economies. Without equitable access to AI infrastructure, the digital divide could evolve into a strategic divide undermining global stability.

Internal Security Dimension

AI's integration into domestic governance enhances state security capabilities but raises profound ethical, privacy and equity challenges. *AI strengthens identification and monitoring systems but risks mass surveillance*. India's *Aadhaar* and China's *Skynet* projects utilize AI for population-level monitoring.[21] While improving public safety, excessive surveillance erodes privacy and may foster authoritarian tendencies. *Predictive analytics improve threat detection in counter terrorism support but risk algorithmic bias.* Use of AI in profiling for counterterrorism illustrates both operational gains and ethical concerns. AI expands preventive security but raises accountability issues in target profiling and also raises privacy concerns due to bias and overreach challenges

Impact of AI on Warfare

AI integration marks the most profound shift in warfare since precision-guided munitions. Unlike past revolutions that enhanced physical power, AI transforms the cognitive dimension accelerating decision-making, processing data at superhuman speed and enabling autonomous operations that redefine force employment.

Autonomous Weapons in the Air Domain

AI in aerial warfare has produced weapons from advanced combat drones to expendable loitering munitions, that operate with unprecedented autonomy, reshaping airpower projection and challenging traditional notions of air superiority. AI-enabled collaborative combat aircraft epitomize manned–unmanned teaming (M-UMT), where piloted jets are paired with AI-driven “loyal wingmen”. Collaborative Combat Aircraft, act as force multipliers, absorbing risk and extending crewed fighters’ combat radius. *MQ-28 Ghost Bat*, *XQ-58A Valkyrie* and *HAL CATS Warrior* are being developed as a "loyal wingman" for manned fighter jets. Next generation aircrafts will employ onboard AI to enhance situational awareness, manage sensor fusion and enable pilot–machine collaboration during high-speed engagements. Multi-sensor data fusion will allow faster target identification and engagement, while autonomous mission management reduces pilot cognitive load. This transition from pilot-centric to AI-assisted combat execution signifies a paradigm shift toward adaptive autonomy in air warfare.[22] The U.S. Air Force’s sixth-generation air superiority program is centered on a family of systems combining a crewed fighter with AI-enabled autonomous “Loyal Wingmen,” advanced sensors and adaptive engines. NGAD represents a shift toward networked, data-driven air combat with manned–unmanned integration at its core Loitering munitions; “kamikaze drones” are a disruptive technology that loiter over battlefields and use onboard AI to identify and strike targets of opportunity. *Switchblade 600 Block 2* uses advanced AI/ML for autonomous target recognition and onboard edge processing to detect and classify both static and moving targets. Similarly, The ZALA Lancet employs AI and an electro-optical guidance system to autonomously detect, track and engage targets. Though it allows real-time operator control, its advanced software enables a high level of autonomous operation.[23]

Autonomous Weapons in the Land Domain

Ground warfare is undergoing a similar transformation as militaries deploy increasingly autonomous systems. These platforms aim to reduce casualties, boost operational tempo and create asymmetric advantages, but their use in dense urban and civilian settings heightens ethical concerns.[24] AI-based Unmanned Ground Vehicles (UGVs) and Unmanned Ground Systems (UGSs) are transforming land warfare by enabling persistent, autonomous and attritable operations *Russia's Marker* platform employs machine learning for autonomous navigation and can be equipped with anti-tank missiles and grenade launchers. Similarly, Estonia's THeMIS serves primarily as a modular weapons carrier with autonomous navigation, removing soldiers from direct fire support roles.[25] AI-enabled perimeter systems like enhance ground security through predictive surveillance and automated defense. *Anduril's "Sentry" system* is an AI-driven autonomous surveillance suite for automatically identifying, detecting and tracking objects to reduce constant human monitoring.[26] Ukraine's *Sky Sentinel* made history by autonomously detecting and destroying a Shahed drone in May 2025; the first confirmed kill by a fully autonomous ground-based air defense system without human input.

Autonomous Weapons in the Maritime Domain

Maritime warfare is being revolutionized by autonomous systems that exploit the ocean's vast, contested spaces. From surface vessels to submarines, AI-enabled platforms are reshaping naval operations while introducing new vulnerabilities and escalation risks.[27] The Russia-Ukraine conflict thrust USVs into prominence when Ukrainian forces deployed *Sea Baby* explosive drones against Russian naval vessels, demonstrating how inexpensive autonomous systems can threaten traditional naval power.[28] U.S. Remus UUV employs AI for navigation, mine countermeasures and precision strike missions. Swarming systems like Turkey's Albatros-S enable coordinated maritime operations using distributed sensors and shared threat recognition. Underwater autonomous systems operate in an environment that naturally shields them from detection and electronic warfare, making them particularly suited for autonomous operations. U.S. Navy's *REMUS 100* conducts autonomous mine-hunting missions using SONAR and computer vision to identify underwater threats.[29] Russia's *Poseidon* is a nuclear-capable autonomous underwater vehicle designed to bypass traditional missile defenses, challenging existing deterrence frameworks and raising questions about command and control.[30]

Pakistan's National AI Preparedness

Artificial Intelligence (AI) is emerging as an important area of development in Pakistan, influencing sectors such as industry, governance and communication. As the technology advances globally, its relevance for Pakistan extends beyond economic use to questions of national security and strategic planning. The growing application of AI in defence by major powers has introduced new dimensions to warfare, intelligence and decision-making, compelling states like Pakistan to evaluate their own level of preparedness and capability. Understanding where Pakistan stands in comparison to regional and global players is essential to identify the gaps and opportunities in its approach. In parallel, the role of education and institutional learning becomes critical. Developing structured programs on AI within national defence and policy institutions can help build the knowledge base needed to understand its implications for security, strategy and future conflict.

Infrastructure Layer

Pakistan operates only two high-performance computing facilities purpose-built for AI, severely constraining capacity for training large-scale models. *Pakistan has 5 Mid-level GPU Clusters*. The aggregate computing capacity totals approximately 2.7 petaflops, compared to India's National Supercomputing Mission facilities exceeding seventy petaflops aggregate capacity. The National Artificial Intelligence Policy 2025 envisions the establishment of a National Compute Grid to provide scalable high-performance computing (HPC) resources for research, industry and government applications. However, implementation timelines remain uncertain due to fiscal constraints and infrastructural limitations. To address compute shortages, Pakistan has launched six major AI data-centre initiatives. Khazana Cloud (operational since July 2023) and Data Vault (launched in June 2025). Indus Cloud, National Cloud in collaboration with the National Bank of Pakistan, Sky47 under Mari Petroleum and HEC AI Meissa High-Performance Computing facility represent the country's first systematic effort to build a sovereign, scalable and secure AI-ready compute infrastructure, aligning with the Cloud-First Policy and the national vision for digital self-reliance.

Data Layer

At the data layer, Pakistan faces structural challenges. Pakistan's most functional nationwide dataset remains the biometric records of the National Database & Registration Authority (NADRA), covering around 200 million citizens. Additional platforms such as the National Open Data Portal (Education sector) and State Bank Data Portal (economic datasets) are in use, but fragmentation remains high.

Model Layer

The Model Layer refers to the country's capacity to develop, host and deploy AI models from research prototypes to operational systems. The AI Policy 2025 identifies nine Centres of Excellence (CoEs) in universities such as NUST, COMSATS, UET and NEDUET. These hubs are tasked with deep-learning, robotics, medical imaging, intelligent systems and smart-city research. Startup activity is also emerging Pakistani AI-startups are active, including firms like Vyro, XYLEXA, Adlytic.ai and Farmadar. Locally developed models such as “Pak GPT”, “Zehanat AI” (Urdu-language GPT) and voice-models by Uplift AI are in nascent stage. Nonetheless, several constraints remain including insufficient GPU/ HPC infrastructure for large-scale model training, limited availability of labelled datasets in local languages; a predominance of service-oriented rather than product AI; and limited venture capital for scaling models domestically. Pakistan’s model-layer readiness is in a transitional phase from foundational research toward industrial-scale deployment.

Governance Layer

The National Artificial Intelligence Policy 2025, approved in July 2025, serves as the overarching blueprint for innovation, capacity building and ethical deployment. However, the un-enacted Personal Data Protection Bill (2023) remains a critical gap in national data governance. Complementary frameworks such as the Cloud-First Policy and National Cyber Security Policy (2021) set standards for cloud adoption and cybersecurity resilience but require greater policy harmonisation across ministries.[31] Oversight rests primarily with the Ministry of Information Technology and Telecommunication (MoITT), supported by the National Task Force on Artificial Intelligence (NTF-AI), Provincial AI Task Forces, the National AI Steering Committee and the National Centre of Artificial Intelligence (NCAI). Complementary bodies such as the Pakistan Digital Authority (PDA) and Special Technology Zones Authority (STZA) facilitate regulation, digital integration and investment promotion. While the governance framework reflects institutional maturity and strategic intent, coordination gaps, overlapping mandates and weak regulatory enforcement continue to challenge cohesive AI implementation in Pakistan. At the institutional level, Pakistan’s AI governance is multi-tiered and evolving. The flagship Uraan Pakistan programme anchors national digital transformation through initiatives like E-Pakistan, Youth AI Training and INSPIRE for semiconductor research. According to the Oxford Insights Government AI Readiness Index 2024, Pakistan ranks 109th globally, placing it in the lower-middle tier of countries in terms of institutional, technological and governance preparedness for artificial intelligence. While Pakistan’s human capital score, reflecting education, technical skills and workforce potential is comparable to regional peers such as India, the country continues to lag significantly in infrastructure, data governance and policy execution capacity.

Defense AI

Pakistan’s progress in the domain of Defence Artificial Intelligence (AI) is emerging but remains fragmented across multiple service-level initiatives. Each service arm has established distinct institutions to explore AI-enabled capabilities within its operational and technological mandates. The Army Center for Emerging Technologies (ACET) leads the Pakistan Army's efforts in research and experimentation related to robotics, computer vision and machine learning for battlefield applications. Similarly, the National Centre for Robotics and Automation (NCRA) and Centre of Artificial Intelligence (NCAI), undertake cross-sector projects including robotic surveillance, industrial automation and precision-guided control systems. Within the Pakistan Navy, the Naval Research and Development Institute (NRDI) is developing AI-enabled decision-support tools, maritime situational awareness systems and autonomous undersea vehicles. The Pakistan Air Force's Centre of Artificial Intelligence and Computing (CENTAIC) remains the most structured and mission-oriented among service institutions, focusing on integrating AI in ISR (Intelligence, Surveillance, Reconnaissance), predictive maintenance and air combat analytics. Despite these initiatives, Pakistan's Defence AI landscape faces several critical challenges including limited GPUs and compute capacity, absence of a central Defence AI Centre of Excellence and lack of synergy among service-level initiatives. Research efforts often proceed in isolation, with minimal doctrinal or technical interoperability, limiting scalability and data fusion across platforms.

Defence AI Ecosystem

Pakistan's broader Defence AI ecosystem exists at the intersection of R&D, academia and private-sector collaboration. Key enablers include Science and Technology Parks such as the *National Aerospace Science and Technology Park (NASTP)*, *Pakistan Maritime Science and Technology Park (PMSTP) National Centre of Artificial Intelligence (NCAI)* support AI experimentation, incubation and collaboration with international partners, including Turkish and Chinese defence industries. Moreover, National Incubators and Accelerators under *Ignite National Technology Fund*, promote AI startups that can contribute dual-use technologies relevant to national security. Pakistan's defence-industrial base, however, remains limited in its AI manufacturing and integration capacity. Organizations such as *National Engineering and Scientific Commission (NESCOM)* and *Global Industrial and Defence Solutions (GIDS)* have initiated AI integration into control systems, sensor fusion and automation. The absence of domestic semiconductor fabrication, indigenous chip design and sustained R&D funding limits AI maturity within the defence production ecosystem.

Defence AI Projects

Pakistan's Defence AI projects reflect early but tangible steps toward AI-enabled autonomy, situational awareness and precision targeting. Research centres such as *GIDS*, *NESCOM* and *CENTAIC* are engaged in integrating AI into surveillance, target detection and fire control systems. Notable projects include: Shahpar III, an indigenous UAV featuring AI-based target detection and automatic object recognition, aimed at enhancing ISR autonomy. Al-Murtajiz M-UM-T Demonstrator, exploring semi-autonomous control and AI-driven navigation systems. KaGEM V3, a joint initiative between *Baykar Technologies* and *NASTP*, focusing on advanced machine-learning algorithms for UAV flight control and object tracking. IAFCS (*Integrated Airborne Fire Control System*) and Integrated Artillery Fire Control System (IAFCS-Army), designed to employ AI for trajectory prediction, fire correction and target engagement optimization. These developments, though modest in global comparison, indicate Pakistan's intent to indigenize AI capabilities in critical defence platforms. The next phase of evolution must focus on establishing shared datasets, joint algorithm repositories and operational testbeds for cross-service AI experimentation.

Policy Recommendations for Sustainable AI Ecosystem in Pakistan

For Pakistan, AI readiness must not be viewed as a stand-alone technological pursuit. It demands a whole-of-nation strategy, integrating infrastructure development, data governance, institutional coordination and human resource investment with defence modernization. To systematize AI development, a nation's capacity can be conceptualized as an AI Stack—a layered construct consisting of Infrastructure, Data, Models and Applications and Governance & Human Capital. Each layer builds upon the preceding one, creating an integrated continuum from computational capability to human expertise. The strength of Pakistan's AI readiness, therefore, will depend on how effectively these layers are developed and interlinked.

Revised National AI Policy

A clear and coherent national policy is essential to guide this transformation. Pakistan's existing National AI Policy therefore requires renewed direction and clarity of purpose. The guiding vision should emphasize the pursuit of sovereign AI capability that strengthens national security, accelerates economic growth and enables Pakistan to remain competitive in the emerging AI era. To remain relevant in a rapidly changing technological environment, the policy must incorporate a regular review mechanism, ideally on an annual basis. Such periodic assessment would allow policymakers to adjust priorities in response to evolving global technological developments. At the same time, ongoing initiatives. including the National AI Task Force and the INSPIRE program should be consolidated under the policy framework. This would help reduce duplication of effort and bring greater institutional coherence.

Infrastructure Layer

Infrastructure forms the physical foundation of any AI ecosystem. Without sufficient computational capacity and reliable energy supply, even the most promising AI strategies remain aspirational. At present, Pakistan's computational resources are scattered across universities and public institutions, which limits scale, coordination and accessibility. A more unified national approach is therefore required. One important step would be the creation of a Federated National Academic Compute Grid, linking high-performance computing facilities at institutions such as NUST, PIEAS and PAF-IAST. Operating under the joint supervision of the Higher Education Commission (HEC) and the National Centre of Artificial Intelligence (NCAI), this platform could target a combined capacity of 50 petaflops by 2027. Such a shared system would allow researchers, startups and small enterprises to access high-performance computing resources at far lower cost, thereby encouraging innovation across the country. Another important challenge concerns the geopolitical sensitivity of semiconductor supply chains. To reduce vulnerability to disruptions, Pakistan should diversify its procurement of high-end GPUs by developing partnerships with both Western and Chinese technology providers. Access to platforms such as NVIDIA H-200 and Huawei Ascend processors would help maintain technological flexibility while mitigating supply risks. Energy availability will also determine the sustainability of AI infrastructure. National AI data centers require stable and affordable electricity. The Power Division should therefore introduce a preferential tariff structure of $0.10 per kilowatt hour for designated AI data centers, recognizing them as strategic energy consumers. Such incentives would encourage domestic data hosting and reduce dependence on foreign infrastructure. Beyond computing infrastructure, Pakistan must also seek entry into the global AI value chain. At present, most developing economies remain consumers of AI technologies rather than producers. To change this dynamic, Pakistan should focus on upstream enablers such as strategic mineral extraction and semiconductor development. The Ministry of Planning, Development and Special Initiatives, in coordination with the Ministry of IT and Telecommunications, could initiate a Strategic Minerals Development Program. Complementing this effort, a ten-year roadmap under an expanded INSPIRE+ initiative should guide national investments in semiconductor design, training and fabrication, with the long-term objective of enabling indigenous chip production by 2035.

Data Layer

While infrastructure provides the foundation, data forms the lifeblood of AI systems. Without secure, structured and accessible datasets, computational capacity alone cannot generate meaningful outcomes. Pakistan's strategy must therefore prioritize the development of sovereign and well-governed data ecosystems. One possible approach would be the establishment of Sovereign Data Clouds, designed to centralize national data assets while ensuring security and institutional accountability. By 2027, Pakistan could establish three specialized data clouds with an estimated capacity of 3,000 GPUs. An Academic and Research Cloud, managed by HEC, would support universities and research institutions. A Government Cloud, overseen by the National Information Technology Board (NITB), would host public sector and administrative datasets. Finally, a Defence Cloud, managed by the Defence Centre of Excellence, would support classified research and operational applications. To complement these platforms, Pakistan should also develop a National Data Stack, designed to standardize datasets across ministries and public institutions. Such standardization would improve interoperability and enable AI systems to draw insights from diverse sources. At the same time, data governance frameworks must ensure that privacy protections and ethical considerations remain integral to the system. Institutional accountability will be equally important. A mandatory data migration policy should require public agencies to gradually host and update their datasets within the national cloud framework. To protect national information assets, each data infrastructure project must incorporate strict cybersecurity provisions and continuous monitoring mechanisms.

Model Layer

If infrastructure and data provide the foundation, the model layer represents the creative core of the AI ecosystem. This is where algorithms are developed, refined and applied to solve real-world problems. In practice, the most effective approach is often one where the state provides enabling infrastructure and regulatory stability, while private sector actors drive innovation and commercialization. Pakistan's AI investments should therefore concentrate on sectors where technological adoption can generate immediate and measurable benefits. In the education sector, AI could support the development of smart digital classrooms and learning analytics platforms under the Ministry of Federal Education and Professional Training and the HEC. Such initiatives could also incorporate targeted inclusion programs aimed at underserved districts. In the area of taxation and fiscal governance, artificial intelligence could help strengthen compliance mechanisms. AI-driven fraud detection systems and predictive analytics tools, implemented through the Federal Board of Revenue and NADRA, could improve transparency and revenue collection. A national AI-powered tax chatbot could further assist citizens in navigating compliance procedures. For development planning, AI could enhance oversight of public investment projects. An AI-enabled PSDP tracking dashboard, developed under the Planning Commission, could integrate satellite imagery with financial analytics to monitor project implementation and identify delays or irregularities. Innovation in the private sector must also remain a central priority. The

National Incubation Centres should introduce a proportionate startup funding model, where financing increases gradually based on measurable performance and scalability. Similarly, government-supported AI projects should operate under an outcome-based procurement system, linking financial payments to clearly verifiable results such as cost savings or efficiency gains. To ensure that AI systems remain culturally and linguistically relevant, research institutions such as NCAI and CENTAIC should also invest in localized AI models. Training datasets reflecting Pakistan's linguistic diversity, legal frameworks and social context will help ensure that AI applications remain effective within the national environment.

Governance and Human Resource Layer

No technological ecosystem can sustain itself without effective governance and a skilled workforce. Pakistan must therefore strengthen both regulatory frameworks and human capital development simultaneously. On the regulatory side, the Ministry of IT and Telecommunications should finalize AI regulation and safety guidelines by 2026. These rules should encourage responsible innovation while ensuring transparency in algorithmic decision-making and oversight of dual-use technologies. Data protection legislation will also be essential. Legal frameworks inspired by international standards such as the GDPR model could help ensure that sensitive national data remains protected within domestic jurisdictions and safeguarded against external interference. Human capital development must proceed alongside regulatory reforms. The global expansion of AI data centers has created growing demand for skilled professionals in areas such as cloud architecture and machine learning engineering. Pakistan could benefit by developing specialized labour mobility programs that prepare professionals for these emerging fields. Another valuable resource lies in the Pakistani diaspora. A Pakistan AI Virtual Network (PAVN) could connect overseas experts with domestic universities through remote teaching, mentorship programs and collaborative research initiatives.

Conclusion

Artificial intelligence represents far more than a technological advancement. It is gradually reshaping how nations exercise power, manage economic systems and safeguard strategic interests. Across diplomatic, informational, military and economic domains, AI is increasingly influencing the balance of national capabilities. Countries that successfully integrate AI into governance, defence planning and economic development are likely to gain significant advantages in competitiveness and strategic influence. The way forward for Pakistan, lies in building institutional understanding and indigenous capacity. AI education must gradually become part of professional training in both civilian policy institutions and military organizations. By strengthening domestic research ecosystems, aligning technological development with national defence requirements and embedding ethical considerations into policy planning, Pakistan can position itself to navigate the complexities of an AI-driven global order.

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Fax +92-51-9260663
E-mail editorfssjournal@ndu.edu.pk

Faculty of Security Studies
National Defence University
Islamabad - Pakistan
www.ndu.edu.pk