

Question no: 02

Military Spending of NATO

Introduction:

Since Russia's full-scale invasion of Ukraine and growing power competition, NATO members have sharply increased defence budgets. In 2024, NATO members accounted for roughly \$1.5 trillion and a record number of allies reached the 2% of GDP guidelines. Moreover, in 2025 - NATO leaders adopted still higher targets. This spending is described by NATO as necessary to rebalance the burden and strengthen collective deterrence. Consequently, it warns of economic strains, an arms race and the erosion of diplomatic space. Thus, the rise in NATO defence expenditures requires careful scrutiny.

1. Military Spending of NATO

At its June Summit, NATO pledged to raise defence spending to 5% of member's national GDP by 2035, up from the earlier target of 2%.

NATO new pledge to raise defence spending is driven by ongoing conflicts.

- Russia Ukraine
- Israel-Palestine
- India Pakistan and
- Geopolitical tensions

2. Historical trajectory of military Spending

Global military spending reached \$2718 billion in 2024, marking the steepest rise — a 9.4% increase since the end of cold war.

- 2024 was the 10th consecutive year of increase in worldwide military expenditure
- As a share of global GDP
 - ↳ Peaked at 6.1% in 1960 (cold war era)
 - ↳ Fell to 2.1% by 1998
 - ↳ Rose to 2.5% in 2024

3. Critical analysis of NATO's military Spending

i) Post-Ukraine war Security Shock

Russia's full-scale invasion of Ukraine acted as a catalyst for an unprecedented belief within Europe that deterrence must be rebuilt.

NATO Secretary-General Jens Stoltenberg

called it ;

the most serious security crisis since World War II.

states such as Poland, Baltic countries, and Scandinavia triggered emergency budget hikes.

(ii) Record rise in defence budgets across Europe

According to SIPRI, Europe saw its target annual spending increase in 30 years, with NATO Europe surpassing \$380 billion in 2023-24. This represents a structural - not temporary shift in defence priorities.

(iii) Diversion of social expenditures towards military budget

Higher defence allocation in states like Poland, Finland and Baltic states direct funds from healthcare, welfare and green transition. EU analysts warn this could create long-term socio-economic stress.

iv) Fragmented defence industrial base

Despite spending hikes, Europe lacks defence industrial unity. For example, more than 17 different tank models exist across Europe compared to 1 in USA leading to inefficiency and waste.

v) Redefinition of security threats beyond Europe

NATO's 2022 Strategic Concept names China a "systemic challenge" for the first time. However, increased spending has not clearly defined mission in Asia, thus creating ambiguity and mission overstretch.

vi) military Strengthened NATO risks escalatory deterrence

Forward deployment in Eastern Europe enhance deterrence but also raise the probability of inadvertent clashes with Russia. military analysts warn that more troops, more systems and less communication increase miscalculation risks.

4. Possible Fallouts of military spending of NATO

i. Global peace and militarization

The Global peace Index in 2023 reported that increased militarisation in 108 countries, with a record high conflict numbers since world war II. The shift back towards remilitarisation threatens peace dividends against gained since the cold war.

(ii) Crowding-out effect

Studies show military spending often crowds out health spending. Middle and low-income countries suffer the most, but even wealthy nations are not immune.

Spain reited NATO's 5% target citing a €300 billion cost that would cut welfare programs.

iii Undermining Sustainable development goals

military expansion also threatens climate goals. If NATO spends 3.5% of GDP, emissions may rise by 200 million tonnes annually. This adds to climate stress especially as 2024 marked the hottest year on record.

iv) Escalate arms race dynamics

The increased spending contributes to a global rise in military expenditures, potentially intensifying the arms race with rivals like Russia and China which have also significantly increased their spending.

v) Regional instability

While aimed at securing NATO borders, the increased militarization of Europe could exacerbate tensions in neighboring regions, such as the Middle East, which is also seeing increased military spending due to regional conflicts.

Conclusion:

The recent surge in NATO defence spending reflects legitimate security concerns, especially the Russian invasion of Ukraine. Yet the build up also produces internal fragmentation and escalation potential.

As George Kennan warned decades ago;

A society that devotes itself entirely to security will eventually lose the essence of what it sought to protect.

Question no: 07

Introduction:

In August 2024, Sheikh Hasina was forced out after mass protests and political turmoil. Her removal created a transitional window in Dhaka: an interim government under Nobel laureate Muhammad Yunus has taken charge. This transition presents Pakistan with a rare diplomatic opportunity to reset bilateral relations through pragmatic diplomacy, trade and people-to-people engagement. Any Pakistani approach must balance opportunity with restraint i.e. respect Bangladesh's sovereignty and internal sensitivities while pursuing confidence-building measures.

1. Key Opportunities for Pakistan

i) Economic and trade Cooperation

Bilateral trade surged by 27% post-Hasina period, demonstrating economic potential.

Opportunities include;

- ➔ Preferential trade agreements for pharmaceuticals, and IT services

- Joint industrial projects - IT parks, textiles and shipbuilding
- Port access and transit routes to Karachi/Qasim for Bangladesh's exports

(ii) Security and defence Cooperation

Both Dhaka and Islamabad have an opportunity of professional military to-military dialogue to enhance trust. Moreover, joint border and maritime security initiatives reduce smuggling and unintended friction.

(iii) Strategic and geopolitical alignment

Both states have shared concerns over India which provides a strategic alignment opportunity. Cooperation via BIMSTEC and other regional frameworks can strengthen development projects.

(iv) Institutionalisation of bilateral channels

By creating regular ministerial Forums (trade, culture, foreign affairs) would help institutionalize engagement and make the relationship more predictable.

(v) Labour and migration cooperation

Both countries have diaspora and labour flows. Pakistan can negotiate temporary labour mobility accords, skill training exchanges and streamlined remittance facilities, thus offering economic benefits.

(vi) Energy and Food Security Cooperation

Bangladesh's growing energy demand and Pakistan's energy project experience provide scope for collaboration. Through joint LNG procurement, power-plant services or agricultural technology transfers to enhance food security and demonstrate practical partnership.

3. Is Pakistan doing enough?

Pakistan is partially doing enough to seize this opportunity.

Pakistan's and Bangladesh's leaders have held high-level talks, and ministerial visits. Both agreed to take trade facilitation measures i.e. removal of inspection and trade rationalization for Pakistani exports. Statements of goodwill

emphasizing non-interference and support for stability.

However, there are certain shortcomings such as limited economic commitments as no major investment initiatives or joint industrial projects announced yet. Also, lack of strategic frameworks and insufficient people-to-people programs are still limited.

Pakistan opened doors but has not fully capitalized on this transitional opportunity.

3. Policy recommendations for Pakistan

i) Develop a strategic roadmap

Pakistan needs to draft a 5-year Pakistan Bangladesh engagement strategy, covering trade, connectivity and security. A clearly crafted roadmap signals continuity of diplomatic and strategic ties.

ii) Expanding trade through preferential tariffs

Pakistan should offer tariff concessions on Bangladesh garments, leather, jute and IT services to encourage investors to access Pakistan's large consumer market.

Creating Pak-Bangladesh joint industrial zones would anchor long-term economic interdependence.

vii) Demonstrate a policy of non-interference for domestic politics

Islamabad must assure Dhaka that Pakistan supports Bangladesh's political sovereignty and avoids being dragged into partisan issues. Diplomatic neutrality increases Bangladesh's willingness to engage openly.

ix) Anchor cooperation in regional platforms