South Asia’s Double-Barreled Arms Race
by Ahmad Faruqui

The arms race between India and Pakistan is a double-barreled one, with one barrel containing conventional warheads and the other barrel containing nuclear warheads. Ironically, the race is happening at a time when both countries have said that the peace process between them is irreversible.

Pakistan’s military has begun receiving American military aid after a decade-long hiatus. Domestically, this gives the generals a chance to play to jingoistic sentiments. Internationally, the aid is justified by the war against terror. India, with its eyes set on becoming a great power, has signed an unprecedented 10-year defense pact with the US. It has joined hands with the US to contain China at a time when it has successfully defused its Himalayan border problem.

On August 11, Pakistan tested its first cruise missile capable of delivering nuclear warheads with “pinpoint accuracy” at a distance of 500 km. Its firing on the president’s birthday was portrayed as a gift to the nation. But coming three days before the 58th Independence Day, it was a potent reminder that without the Khakis, there would be no national security.

Musharraf made no secret of the fact that the Pakistani missile was India-specific and alluded to the imbalance that had been created by India’s decision to acquire Patriot missiles from the US. He said the missile’s range was longer than that of its Indian counterpart. The missile firing made a mockery of the high-profile announcement that had been made a week earlier that the two countries would warn each other before test launches. A Pakistani spokesman tamely said, “We are only supposed to give pre-warning for ballistic missiles.”

Cruise missiles add a new dimension to the ongoing race in the field of ballistic missiles. The missiles carry ominous names. India’s Agni missile is named after the Hindu deity of fire. Pakistan’s Babur and Ghauri missile are named after Muslim rulers from Central Asia who conquered India centuries ago. While one may ask, “What’s in a name? That which we call a missile/By any other name would be as dangerous,” names that evoke past hostilities can hardly be viewed as harbingers of peace.

Some of the existing missiles can hit targets that are 2,000 km distant. India will shortly best this range by firing a missile with a 3,000 km range and is said to be working on a truly intercontinental range missile that could hit places as far away as Los Angeles. It would be a surprise if Pakistani scientists were not busy at work extending the range and accuracy of their missiles.

So, while both countries speak of the need to maintain a minimum deterrent in the field of nuclear weapons, the dynamics of the arms race are such that tomorrow’s minimum level exceeds yesterday’s maximum level. In addition, the development of nuclear weapons and ballistic missiles has not reduced the expenditure on conventional forces. Decades ago, the race was confined to combat aircraft, warships, submarines, tanks and artillery pieces. Then ballistic missiles entered the picture, followed by nuclear warheads.

There has been no nuclear dividend in South Asia, let alone a peace dividend. Both countries are using the excuse of “modernization” to spend more funds on conventional forces. About 41 percent of India’s defense budget is devoted to capital expenditures for purchasing newer and more potent submarines, an aircraft carrier, fighter jets and tanks. Pakistan’s military expenditures are shrouded in secrecy.
The 18-month old “composite dialogue between the two countries has given the rivals the perfect cover to engage in higher levels of military spending. To be in tune with the times, the volume of negative governmental rhetoric is at an all time low. The cease-fire in Kashmir is holding. Even Manmohan Singh’s recent statement that the Pakistani nuclear arsenal was not in safe hands was met with admirable restraint by Islamabad as were equally strident statements from New Delhi that there were no plans to withdraw forces from Jammu and Kashmir.

But there is no sign that these peace overtures have shut down the arms race. Pakistan raised its military spending by 15 percent in its new budget, about double the rate of growth of the economy. It plans to spend $3.75 billion this fiscal year. India raised its military spending by 7.7 percent, which follows an increase of 27 percent in the prior budget. It plans to spend $19 billion this fiscal year. The two countries, among the poorest in the world, are spending some $23 billion annually. These figures do not include expenditures associated with military pensions, which could account for an additional 15 percent, nor do they include expenditures on nuclear forces, which could account for an additional 20 to 30 percent. Thus, in aggregate terms, they may be spending upwards of $30 billion.

These costs are even higher when evaluated in purchasing-power-parity (PPP) terms. India spends $100 billion in PPP terms, which makes it the third largest military spender in the globe, right after China, which spends $150 billion, and the US, which spends $450 billion.

While the arms race has been around for a long time, the big change is the emergence of the US as a prominent arms supplier. During the past decade, the US only provided eight percent of Pakistan’s arms imports and less than one percent of India’s. Conscious of the stigma that attaches to merchants of death, Washington has rejected the notion that its arms sales will trigger an arms race. While explaining the sale of F-16s to Pakistan, US Secretary of State Condoleezza Rice said the deal should be viewed in a larger geopolitical context, since the F-16s would bring stability in the arc of countries that stretches from Afghanistan and Central Asia. She said the sale to India would position the US as a reliable supplier of high quality defense equipment.

The ultimate issue for both countries is the opportunity cost of defense spending. For example, the $3 billion that Pakistan will spend on 75 F-16s could be used to improve the quality of life of millions who live below the poverty line. For that sum of money, the government could build some 8,000 primary health care units and 100,000 new village schools, double the budgetary allocation for higher education and health, and increase the number of cement plants and sugar mills by 50 percent.

By equating arms with survival and with great power status respectively, Islamabad and New Delhi have committed their nations to a fruitless arms race that ensures the continued impoverishment of their citizens. More dangerously, it carries within itself the seeds of a horrific conflict.

Ahmad Faruqui is an EPS member and a frequent contributor to the newsletter. This piece first appeared, in slightly different form, in the Daily Times of Pakistan and is reprinted with the kind permission of the author.

Economists for Peace and Security
http://www.epsusa.org