

# TASKS FOR SELFSTUDY

## Topic 5

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## INTRODUCTION TO ECONOMICS OF DEFENSE INDUSTRIAL BASE

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1. Explain meaning of following terms: Defense Economic Base, Defense Industrial Base, Military-Industrial Complex, Armament Industry, Military Industry, and Military Production. Does the connection exist among them? Try to identify differences among them?
2. Think, do the countries need a Defense Industrial Base? Express economic and politic arguments for maintaining national DIB.
3. Try to characterize armament market. Describe the demand and supply side of armament market production. Why do the military firms strive to enter the armament market? Think, What are the barriers to entry market of armament production?
4. Try to describe the past, present and future development of world armament production (defense industry), can we find some differences between USA and European defense industrial base development?
5. Try to describe defense industrial base and policy in arbitrarily chosen country (Describe DIB structure, give examples well-known products and producers, position in armament trade etc.).
6. Choose some example of executed military project (i.e. F-117 Stealth, F-35 Joint Strike Fighter /version A, B, C/; Eurofighter Typhoon, Grippen, ..... ) and describe its development, numbers of planned and taken pieces, acquisition price developed weapons, costs of weapon development and production and so on).
7. What are the offsets? Try to explain meaning of this term. Describe history this economic support tool of domestic defense industry. Make clear why were the offsets introduced as economic support tool and explain their importance. You can choose some examples of realized offsets as an illustration.