

Department of Development Studies

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Thematic Focus: Political Economy

Role of Defense Spending, Myths and Realities: A Case of Pakistan - Fida Muhammad Khan (2013-2015)

Using descriptive research design and qualitative research methods, this research explains that PAC Kamra is contributing to Human resource development, R & D, and is providing sound foundations for aeronautical and aviation industry of Pakistan. The study also found that PAC has a potential to give Pakistan export quality products which can bring in the much needed foreign exchange.

Key Findings

1. Pakistan's defense spending is not determined by the economic situation rather it is determined by the surrounding geo-political environment, the threat perceptions about the adversaries and by the defense spending of the adversary.
2. In addition to fulfilling the country's defense needs, PAF and Kamra are playing an important role in generating employment, providing foundations for industry and provides incentives for innovation
3. there is an immense potential in Kamra to expand and venture into manufacturing other aviation products like helicopters, Transport aircrafts, and extending the Jf-17 program to have whole line of jet fighters
4. The MRO activities at PAC have not only saved Pakistan substantial foreign exchange but have also contributed to training of human resource.
5. The aeronautical industry can provide incentives for R & D in the civilian aerospace industry, motorcar, and electronics industries. PAC also has the ability to venture into civilian sector production and commercial aviation products.

Policy Implications

1. Defense spending should be revisited and special emphasis should be put on defense industry particularly aeronautical industry, aeronautical industry due to its sophistication can bring with many allied benefits that other investments will not. The aeronautical industry can provide incentives for R & D in the civilian aerospace industry, motorcar, and electronic industries. This strategy will make defense spending contribute to the economy alongside making Pakistan self-reliant in aerospace and aeronautical industry and this will lead to strengthening of national defense by making it self-reliant in the most modern forms of warfare.
2. The political leadership should utilize the diplomatic channels effectively in order to secure sales for the JF-17 thunder so that it could contribute to economic growth and foreign exchange reserves.
3. The political leadership should focus on the commercial ventures that PAC can undertake so that full potential of PAC can be realized.
4. The inherent problems of the health and education sector should be solved through good governance and sound management practices so that these sectors can start performing as required.