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Abstract

This research examines the relationship of military expenditures and growth, using model based on Solow growth equation further taking into divisions due to different factors that may influence growth of about 89 countries related to time period of 1993 – 2014. The major focus of the research is to take into consideration complexities of group. Data is further segregated into relevant factors such as conflicts, aid dependence, mineral dependence developed economies and relationship of military expenditure is evaluated. The factors into consideration are developed countries, conflict consistency, natural resource abundance, openness of trade and aid. Having found the relationship between military expenditure and economic growth the data was further segregated based upon above mentioned factors which also showed negative relationship.

Keywords: Military expenditure, economic growth, conflicts, development.