

## **The Determinants of Military Expenditures in Pakistan**

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### **ABSTRACT**

Using auto regressive distributed lag (ARDL) bound testing, it was determined what factors influence Pakistani military spending. World Development Indicators of the World Bank provided the time series data from 1975 to 2020. (2020). The findings demonstrate the long-term cointegration between the variables in the equation describing military spending. The results in the disturbances lack serial correlation, autoregressive conditional heteroscedasticity (ARCH), and heteroscedasticity. Jarque-normality Bera's test shows that stochastic disturbances follow a normal distribution as well. shows that the finest versions of the models are displayed. The residual characteristics and stability tests of the error correction model are thus satisfied. We conclude that the government should focus on these empirical findings while formulating military expenditures for Pakistan: Government of Pakistan should focus on increasing the GDP growth so that military expenditures should be met according to the requirement, as there is positive association between GDP growth and military Expenditures. FDI can play a major role in increasing GDP growth.

**Key Words:** Military Expenditures, GDP growth, FDI, Trade

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