

Does Income Heterogeneity Influences the Military Expenditure-Economic Growth Nexus? Evidence from Sub-Saharan Africa

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ABSTRACT

With security challenges bedeviling Sub-Saharan Africa, military expenditure has been increasing exponentially through the years. Such an increase has potential effects on economic growth across the region such effects vary with income level. The aim of this study is to investigate the role of income heterogeneity in the military expenditure-economic growth relationship in 33 Sub-Saharan African economies for the period 2000 to 2021. The study utilizes the Dynamic Ordinary Least Square (DOLS) since the technique corrects for endogeneity, serial correlation, and simultaneity problems, as well as mitigates the potential omitted variable bias problem. The empirical results show the adverse effect of military expenditure on economic growth among the SSA economies. The study also found that the negative growth effect of military expenditure is more evident among low-income countries. The study, therefore, recommends that the sub-Sahara African region should adopt country-specific military initiatives, as well as, harness regional military cooperation to ensure inclusive growth, among other policy options.

Keywords: Military, Expenditure, Growth, Heterogeneity, Security, Income

JEL Classification: C32, H56, O47

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