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The Relationship between Military Expenditures and Economic Growth: An Application on Turkey and USA / Askeri Harcamalar ile Ekonomik Büyüme Arasındaki İlişki: Türkiye ve ABD Örneği

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ABSTRACT

Military expenditures are indispensable item of the countries in order to protect their sovereignty and independence. Therefore, it is an indisputable fact that military expenditures have a substantial share in aggregate public expenditures and affect economy. It draws attention that there are different results in the literature due to diversity of the sample handled and methods used in practice. In general, it is observed in the literature that military expenditures can affect economic growth either negatively or positively. Besides, there are also studies arguing that there isn't a significant correlation between the two variables. This study aims to reveal the relationship between military expenditures and economic growth in Turkey and USA between the years of 1980-2014. In accordance with this purpose, cointegration and causality analysis are used in the study.

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