

## Does national investment on R&D compared to military expenditure achieve greater development?

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### Abstract

Research investment and military expenditure are generally of opposite character. Military spending is higher than research and development (R&D) because of global insecurity and power politics. We show the merit of research and development (R&D) investment and how it contributes to the national human capital. We further assess the impact of the expenditure gap between these two on the Human Development Index (HDI) and Gross Domestic Product (GDP). Data from 76 countries for a period of 15 years (2000-2014) were analysed by mixed effect models adjusting the effect of the six different continents. There exists a positive bi-directional significant relationship between the HDI and R&D investment. R&D tend to contribute to human capital, which in turn contributes to the public development over the years, whereas the military expenditure that only marginally contributes towards GDP, not HDI.