

Military spending did not 'crowd out' welfare in Middle East prior to Arab Spring

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Research casts doubt on the widely-held view that spiralling military expenditure across the Middle East and North Africa (MENA) "crowded out" investment in healthcare and public services, leading to civil unrest that eventually exploded in the Arab Spring revolutions.

The so-called "guns versus butter" or "welfare versus warfare" hypotheses—that prioritised military spending resulted in neglect of health and education thereby creating conditions that fomented public rebellion—is considered by many experts to be a root cause of the uprisings that gripped the region during 2011.

However, a team of researchers who analysed economic and security data from MENA nations in the 16 years leading up to the Arab Spring found no evidence of a trade-off between spending on the military and public services, specifically healthcare.

The researchers from Cambridge and the Lebanese American University argue that much of the evidence for the 'guns versus butter' causal link come from analyses of wealthy European nations, which has then been assumed to hold true for the Middle East.

They say the study's findings, published today in the journal *Defence and Peace Economics*, provide a "cautionary note" against a reliance on simplistic correlations based on data from OECD nations to draw important policy conclusions about the causes of turmoil in the Middle East.



"Our research finds reports of this apparent spending trade-off prior to the Arab Spring to be somewhat spurious," said Dr. Adam Coutts, based at Cambridge University's Department of Sociology.

"Academics and policy-makers should be careful in assuming that models and results from studies of other regions can be transplanted onto the Middle East and North Africa," he said.

"Determining the cause of unrest is a rather more complex task than some experts may suggest. Historical experiences and political economy factors need to be considered."

While only Saudi Arabia is in the top ten global nations for military spending in terms of hard cash, when calculated as a share of GDP six of the top ten military spenders are MENA nations.

Coutts and colleagues ran World Bank data through detailed statistical models to explore the trade-off between spending on military and on welfare—health, in this case—of 18 different MENA nations from 1995 up to the start of the Arab Spring in 2011.

The team also looked at casualties resulting from domestic terror attacks in an attempt to estimate security needs that might have helped drive military spending in a region plagued by terrorism.

They found no statistically significant evidence that increased military spending had an impact on health investment. "Contrary to existing evidence from many European nations, we found that levels of military expenditure do not induce or affect cuts to healthcare in the Middle East and North Africa," said co-author Dr. Adel Daoud from Cambridge's Centre for Business Research.

The researchers also found no evidence for casualties from terrorism



affecting either health or military spending—perhaps a result of the routine nature of such occurrences in the region.

"There may have been a policy adaptation in which regional conflicts and security threats are no longer the main influence on government security and military spending decisions," said Daoud.

Adam Coutts added: "It has been argued that Arab populations accepted an 'authoritarian bargain' over the last forty years—one of societal militarisation in return for domestic security—and that this came at the expense of their welfare and social mobility.

"However, health and military spending cannot be predicted by each other in this troubled region. Policy analysts should not single out military spending as a main culprit for the lack of investment in public goods.

"Once again we find that straightforward explanations for unrest in the Middle East and North Africa are tenuous on close analysis."

More information: Adam Coutts et al, Guns and butter? Military expenditure and health spending on the eve of the Arab Spring, *Defence and Peace Economics* (2018). DOI: 10.1080/10242694.2018.1497372

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