

The Spatial Dynamics of Terrorism, Military Expenditure and Income Disparities Across Nations

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ABSTRACT

Terrorism has both temporal and spatial dimensions. In response to terrorist incidents, a country may increase its military expenditure. This increment in military expenditure has spatial differences. Besides, the income (GDP) of a country has been found to be somewhat related to the terrorist incidents within a country. In this background, this research explores the spatial dimension of the interrelation between terrorist incidents, military expenditure, and income of the countries. Using secondary data sources from different sources, and considering 86 countries, this study investigates the latest condition of spatiality by testing two hypotheses – (1) a high number of terrorist incidents leads to military expenditure, but not for the high-income countries, and (2) the countries with high number of terrorist incidents and high military expenditure (both in comparison to each other), are regionally in the safe haven for terrorists, as proposed by the USA. The findings suggest that both the hypotheses are correct, but refine the hypotheses by additional observations. Whereas the low-income African countries of Burkina Faso, Mali, Chad, and Togo have high military expenditure as percentage of their GDP in response to high number of incidents of terrorism, the Latin American country Colombia, and the South Asian Countries Myanmar and Pakistan are in the same foot, albeit they belong to higher income-groups. The countries in the Middle East and Egypt, although considered to be safe haven for terrorist organizations and having a high number of terrorist incidents, have rather comparatively lower military expenditure as percentage of their GDP, in comparison to other countries.

Keywords: Transnational Terrorism, Military Expenditure, Income, Spatiality, Africa, South Asia, MENA, Latin America.

Introduction

A rise in terrorism in home or neighboring countries can increase military expenditure in the home country as a counter-terrorism measure. The increase in the military expenditure to tackle international terrorism shifts resources from development expenditures and hinders growth in the less-developed countries. However, the role of internal conflict and terrorism on the growth-impetus is not without contentions (Gupta et al., 2002).

The causal relationship between terrorism and growth is heterogeneous over time and space. In the Cold War era, growth influenced terrorism in the Latin American countries which were in intermediate development positions; but, in the post-Cold War era, terrorism has been detrimental to growth in the African and Middle Eastern countries. The developed western countries, on the other hand, have very little impetus to increase military expenditure in response to terrorism (Meierrieks & Gries, 2013). From 1970 to the early years of the 1990s, terrorism emerged in the Middle East and North African (MENA) countries mostly as a response to social globalization (increased cross-cultural interaction), but during 1990-2010, the root cause of terrorism in this region was political globalization (Lutz & Lutz, 2015).

Terrorism has both a transnational character and a territorial nature. Transnational terrorism is found mostly where a rich and a poor country share borders and their differences are pronounced, whereas many terrorist organizations occupy a portion of the land within a country and fight with the weak state

(Bahgat & Medina, 2013). The terrorists' safe haven has been identified by the USA in the regions of Africa (Sahel, Mozambique, Somalia, Sudan, and the Lake Chad region), Southeast Asia (Southern Philippines, Malaysia, Indonesia), MENA (Iraq, Lebanon, Southern Libya, Yemen), South Asia (Afghanistan, Pakistan), and the Latin America (Colombia, Venezuela) (Richard, n.d.).

In respect to this background, this study attempts to investigate the regionality of terrorism attacks in the world map and the response of the affected countries in terms of the share of military expenditure as a percentage of Gross Domestic Product (GDP). The investigation is centered on two research hypotheses. The first research hypothesis is that the greater a country is affected by terrorism the higher will be its share of military expenditure in GDP, if it is not a high-income country. The second hypothesis is that the countries with greater incidence of terrorism coupled with higher share of military expenditure in their GDP are concentrated in the regions identified by the USA as safe haven for terrorist organizations.

To test the two research hypotheses, this study takes three sets of data from two different sources—one from the Global Terrorism Index (GTI) 2025 published by the Institute for Economics and Peace, the second one being the share of military expenditure as percentage of GDP (in 2023) as available from the World Bank and the third one is the country classification by income groups as provided by the World Bank. The GTI encompasses four indicators – incidents, fatalities, injuries, and hostages, and to measure the impact of terrorism it uses a five-year weighted average. Matching the two datasets, 86 countries have been brought under inspection of this study. Russia, Ukraine, Israel, and Palestine have been dropped as they are presently at war and so the figures of the share of military expenditure might be inflated temporarily for them. However, countries engaged in civil wars or other conflicts have not been excluded.

Literature

In this section, the existing literature on the topic of present study will be explored in four subsections – first, the idea of transnational terrorism will be evaluated; second, its relation with military expenditure will be explored; third, in the previous two contexts, the idea of regionality will be attended; and lastly, the relation between GDP and terrorism will be briefly looked up on.

Transnational Terrorism

Transnational terrorism represents a considerable threat to global peace and security. It is characterized by terrorist acts involving individuals, victims, or targets across multiple nations, highlighting the global spread of political violence (Enders & Sandler, 2011). In contrast to domestic terrorism, transnational terrorism utilizes international networks for recruitment, funding, and operational activities, complicating the ability of individual countries to address the issue effectively.

The rise of organizations such as al-Qaeda and the Islamic State (ISIS) showcases the cross-border nature of contemporary terrorism. These groups function across national boundaries, employing global communication methods and diaspora populations to disseminate extremist beliefs and recruit foreign combatants (Awan, 2017). For instance, ISIS attracted numerous fighters from Europe, Asia, and Africa by leveraging online propaganda and the instability in Syria and Iraq. (Gerges, 2017).

Nevertheless, transnational terrorism is frequently grounded in local and regional issues. Often, factors such as political oppression, poverty, and foreign interference act as triggers for radicalization. Boko Haram in Nigeria, although aligning itself with ISIS, retains a focus on regional matters influenced by local political and social contexts (Zenn, 2018). In the same vein, South Asian groups like Lashkar-e-Taiba function on a transnational level but are motivated by regional conflicts, particularly the dispute over Kashmir (Fair, 2014).

Military Expenditure and Terrorist Incidents

Military spending generally increases after significant terrorist incidents, influenced by public demands and the political need to improve national security. For instance, the USA made substantial enhancements to its defense budget following the September 11 attacks, with military expenditures climbing from \$304 billion in 2001 to over \$700 billion by 2011 (National Defense Budget Estimates for FY 2012, 2011). A large portion of this growth funded counterterrorism efforts in Iraq and Afghanistan. While these operations disrupted terrorist organizations and eliminated key figures, they also led to unintended effects, such as civilian casualties, regional turmoil, and a rise in anti-Western attitudes, which in turn fueled extremist narratives (Byman, 2015).

Research indicates a varied relationship between military spending and the diminishment of transnational terrorism. As noted by Enders and Sandler (2011), robust defense capabilities can discourage terrorist attacks; however, military actions in foreign countries often lead to retaliatory responses, particularly when viewed as foreign occupation or neocolonialism. Furthermore, considerable military expenditure may redirect funds away from vital areas such as socioeconomic progress, governance improvement, and education—elements essential for tackling the underlying causes of terrorism.

Additionally, excessive military actions in response to terrorism can act as recruitment incentives for extremist organizations. For example, drone strikes in areas such as Yemen and Pakistan have sometimes led to civilian deaths, which can ignite local resentments and increase support for groups like al-Qaeda and the Taliban (Boyle, 2013). This situation demonstrates how certain types of military involvement, especially those that lack legitimacy or a clear strategy, can hinder long-term objectives in counterterrorism. On the other hand, some researchers contend that focused and intelligence-based military expenditures can be effective. Bapat (2011) argues that targeted investments in areas like surveillance, border security, and counterinsurgency can thwart terrorist activities without provoking widespread backlash. This suggests that it isn't the sheer amount of military spending that is crucial, but rather the manner and areas in which it is invested.

Regionality in Military Expenditure and Terrorist Incidents

Military spending as a response to counterterrorism differs greatly by region because of variations in threat awareness, financial resources, political frameworks, and strategic goals. Although every region strives to safeguard national security, their monetary and tactical approaches to combating terrorism are shaped by distinct geopolitical and historical circumstances.

In North America, especially the United States, military spending has consistently remained elevated as a reaction to both domestic and international terrorism. Following the 9/11 attacks, the U.S. defense budget surged significantly, surpassing \$700 billion per year at the peak of military operations in Iraq and Afghanistan (National Defense Budget Estimates for FY 2012, 2011). The focus has shifted towards large-scale military actions, sophisticated surveillance technology, and measures for homeland security. The U.S. approach illustrates a global strategy oriented towards offense, prioritizing power projection and building coalitions.

On the other hand, European nations generally allocate less for military purposes in relation to their GDP, but make substantial investments in intelligence sharing, counter-radicalization initiatives, and cooperative efforts within NATO and the EU. Countries like the UK and France have boosted certain counterterrorism budgets following significant attacks, such as the London bombings in 2005 and the Paris attacks in 2015, although they often emphasize domestic security and cyber capabilities rather than traditional defense expenditures (Voronova, 2021).

In the Middle East and North Africa (MENA), nations frequently dedicate a large percentage of their GDP to military expenditures, primarily due to ongoing internal conflicts and threats of terrorism from both sectarian and extremist groups. For example, Saudi Arabia and Israel consistently rank high in global military spending as a share of GDP (*SIPRI Military Expenditure Database*, 2024). These expenditures focus on both internal control and regional deterrence, highlighting the importance of surveillance and border security technology.

In South Asia, nations such as Pakistan and India have increased military spending partly as a response to terrorism, particularly in disputed areas like Kashmir. The military of Pakistan plays a crucial role in counterinsurgency operations against the Tehrik-i-Taliban Pakistan (TTP), often complicating the distinction between defense funding and internal security (Fair, 2014). India, confronted with cross-border terrorism, has taken a combined approach involving military modernization and expanded intelligence efforts.

Conversely, Sub-Saharan Africa demonstrates limited responses due to restricted resources. Countries like Nigeria, Mali, and Burkina Faso encounter significant terrorist threats from groups such as Boko Haram and al-Qaeda affiliates but frequently lack the financial means for extended military operations. As a result, they heavily depend on international support and regional alliances like the G5 Sahel Joint Force (Zenn, 2014).

GDP and Terrorism

The connection between GDP and terrorism is complex and varies depending on the context. Although it is commonly believed that lower economic development, indicated by low GDP, correlates with higher instances of terrorism, studies indicate that the relationship is more complicated.

A low GDP can create conditions that are ripe for terrorism by leading to poverty, unemployment, and social discontent—elements that extremist organizations may exploit for recruitment purposes. Research by Piazza (2006) found that nations with struggling economies and ineffective governance often face elevated levels of both domestic and international terrorism. While economic hardship may not directly incite terrorism, it lays the groundwork for radicalization, particularly among marginalized groups.

Nonetheless, wealthier nations are not exempt. In fact, some research reveals that high-GDP countries are frequently targeted by terrorists because of their global significance, media attention, and foreign policy actions (Blomberg et al., 2004). Wealthy nations may encounter increased transnational terrorism, as they represent notable targets for ideologically driven groups seeking maximum impact.

Additionally, GDP alone may not adequately reflect the situation. Krieger and Meierriecks (2011) suggest that political oppression, inequality, and limited civil liberties often play a more substantial role in terrorism than economic performance by itself. This indicates that while economic advancement is vital, inclusive governance and fair growth are also essential for reducing terrorism.

Inference

There have been studies on the relation between terrorism and military expenditure, on the spatial dimension of this relation, and there are also studies on the relation between GDP and terrorism. However, it is observed that there is a lacuna in the existing literature regarding the spatiality in the relation between terrorism, military expenditure, and GDP of the countries. The rationale of this study is thus exemplified.

Data & Methodology

Terrorist activities have both spatial and temporal dimensions. This study focuses only on the spatial dimension for the most recent period of time as available from data sources. Considering the temporal dimension, the spatiality of the findings of this study may evolve to be different in near or far future. Thus, the contextuality of this study is for limited time, although it provides important insights.

To attend to the two research hypotheses, secondary data is used from different sources. The three variables used in this study are described below.

- **GTI:** Global Terrorism Index (Global Terrorism Index 2025: Measuring The Impact of Terrorism, 2025). The values for different countries as published by the Institute for Economics and Peace for 2025 (in March 2025) in their website are taken. As mentioned in Section 1, this is a five-year weighted average on the basis of four indicators – incidents, fatalities, injuries, and hostages. As it appears, the moving average has been taken for the five years 2020-2024. The value of GTI lies between 0 and 10, where a higher value means that the country has been more severely affected by terrorism.
- **PME:** Percent Medical Expenditure (*SIPRI Yearbook: Armaments, Disarmament and International Security*, 2023 as reported by World Bank). This is the percentage of military expenditure in the GDP as published by the World Bank. Only those countries are selected, for which the data for the most recent year (2023) was available on the World Bank website.
- **IG:** Income group (*How Does the World Bank Classify Countries?*, n.d.). As the World Bank classification is being used, this categorical variable has four classes – High income, Upper middle income, Lower middle income, and Low income. The country list has been fetched from the website of the World Bank.

On the basis of the GTI and PME data, 86 countries have been identified to have data for both the variables. Regarding IG, however, no recent entry is found for Venezuela. The 86 countries and the values of GTI, PME, and IG are presented in Table 1.

Table 1: List of 86 Countries taken in the Present Study (Arranged Alphabetically)

SN	Country	GTI	PME	IG
1	Algeria	2.415	8.172	Upper middle income
2	Angola	1.657	1.333	Lower middle income
3	Egypt, Arab Rep.	4.416	0.871	Lower middle income
4	Argentina	0.801	0.473	Upper middle income
5	Armenia	0.720	5.451	Upper middle income
6	Australia	1.973	1.922	High income
7	Austria	0.582	0.844	High income
8	Azerbaijan	0.233	4.602	Upper middle income

9	Bahrain	0.059	3.108	High income
10	Bangladesh	3.030	1.023	Lower middle income
11	Belarus	0.233	1.798	Upper middle income
12	Belgium	1.347	1.215	High income
13	Benin	4.802	0.711	Lower middle income
14	Bosnia and Herzegovina	1.218	0.808	Upper middle income
15	Brazil	1.430	1.079	Upper middle income
16	Burkina Faso	8.581	4.005	Low income
17	Burundi	4.043	3.659	Low income
18	Cambodia	0.423	2.090	Lower middle income
19	Cameroon	6.944	0.933	Lower middle income
20	Canada	1.870	1.293	High income
21	Central African Republic	0.957	2.285	Low income
22	Chad	5.032	2.908	Low income
23	Chile	5.162	1.633	High income
24	China	1.863	1.665	Upper middle income
25	Colombia	6.381	2.873	Upper middle income
26	Congo, Dem. Rep.	6.768	1.164	Low income
27	Côte d'Ivoire	1.454	0.886	Lower middle income
28	Cyprus	0.347	1.825	High income
29	Czechia	2.906	1.524	High income
30	Denmark	0.720	1.953	High income
31	Ecuador	1.550	2.297	Upper middle income
32	Eswatini	0.087	1.568	Lower middle income
33	Ethiopia	0.787	0.788	Low income
34	Finland	0.949	2.421	High income
35	France	2.712	2.056	High income
36	Germany	4.748	1.520	High income
37	Greece	2.928	3.234	High income
38	India	6.410	2.443	Lower middle income
39	Indonesia	4.170	0.678	Upper middle income
40	Iran, Islamic Rep.	6.056	2.061	Upper middle income
41	Iraq	6.582	2.073	Upper middle income
42	Ireland	0.233	0.217	High income
43	Italy	0.929	1.606	High income
44	Japan	0.949	1.196	High income
45	Jordan	2.913	4.905	Lower middle income
46	Kenya	5.366	0.906	Lower middle income
47	Kosovo	0.782	1.254	Upper middle income
48	Latvia	0.423	2.268	High income
49	Lebanon	1.237	8.913	Lower middle income
50	Lithuania	0.423	2.716	High income
51	Malaysia	1.626	0.930	Upper middle income
52	Mali	7.907	3.828	Low income
53	Mexico	0.582	0.657	Upper middle income
54	Mozambique	6.251	1.732	Low income
55	Myanmar	6.929	3.789	Lower middle income
56	Nepal	1.113	1.077	Lower middle income
57	Netherlands	1.402	1.533	High income
58	New Zealand	0.217	1.218	High income
59	Niger	7.776	2.070	Low income
60	Nigeria	7.658	0.807	Lower middle income
61	Norway	1.198	1.607	High income
62	Oman	2.927	5.404	High income

63	Pakistan	8.374	2.801	Lower middle income
64	Paraguay	0.073	0.906	Upper middle income
65	Peru	2.062	1.121	Upper middle income
66	Philippines	5.166	1.249	Lower middle income
67	Poland	1.962	3.833	High income
68	Venezuela, RB	0.710	0.501	Not available
69	Korea, Rep.	0.582	2.812	High income
70	Saudi Arabia	0.845	7.086	High income
71	Senegal	1.578	1.468	Lower middle income
72	Serbia	0.582	2.853	Upper middle income
73	Slovak Republic	1.023	2.017	High income
74	Spain	1.256	1.509	High income
75	Sweden	1.842	1.473	High income
76	Switzerland	1.265	0.703	High income
77	Tajikistan	0.999	1.224	Lower middle income
78	Tanzania	1.573	1.152	Lower middle income
79	Thailand	4.630	1.166	Upper middle income
80	Togo	5.004	4.015	Low income
81	Tunisia	2.184	2.358	Lower middle income
82	Turkiye	3.968	1.503	Upper middle income
83	Uganda	3.702	1.982	Low income
84	United Kingdom	2.639	2.265	High income
85	United States	3.517	3.362	High income
86	Uruguay	0.059	2.000	High income

Figure 1 shows the scatter diagram between GTI and PME for the 86 countries selected under this study. The numbers corresponding to the dots are the serial numbers of the countries in Table 1.

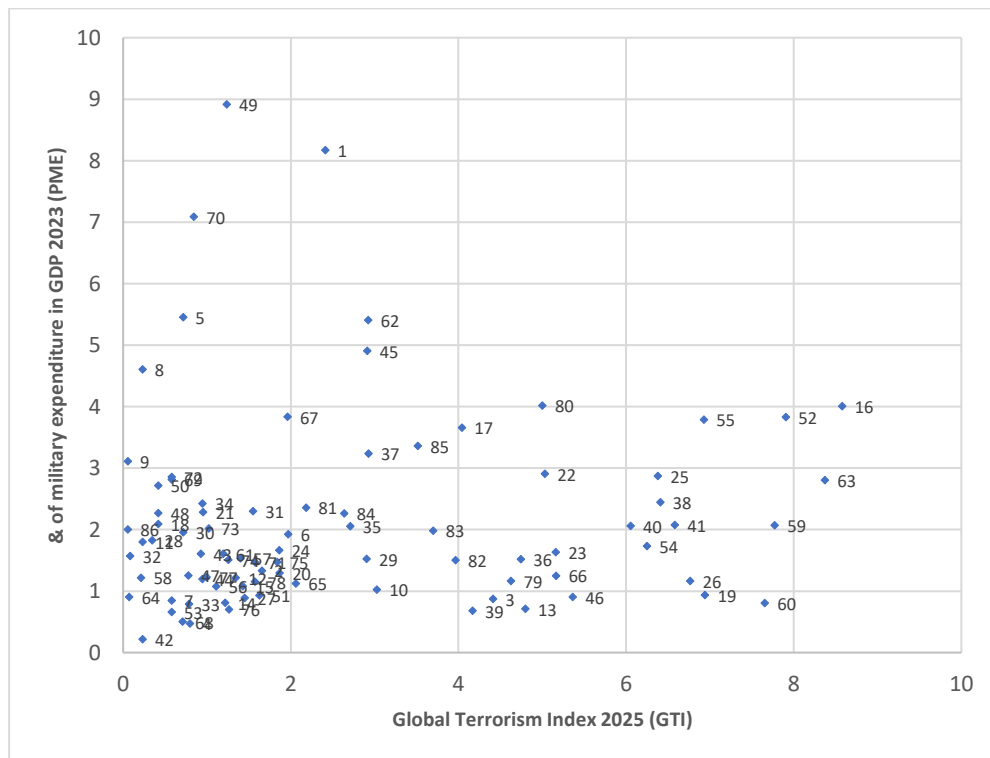


Fig. 1: The Scatter Diagram showing Relation between GTI and PME for the 86 Countries

Now, this study addresses two hypotheses:

- the greater a country is affected by terrorism the higher will be its share of military expenditure in GDP, if it is not a high-income country; and
- the countries with greater incidence of terrorism coupled with higher share of military expenditure in their GDP are concentrated in the regions identified by the USA as safe haven for terrorist organizations.

To investigate the first hypothesis, inspecting the scatter diagram (Figure 1), it is found that, although there is a great concentration of the countries in the low-GTI and low-PME region, no overall uniform pattern is observable. This study will, therefore, try to answer whether any pattern is observable across or within the four income-groups. It is expected that for the high-income countries, there will be no correlation between GTI and PME, but for the other countries, GTI and PME should be positively correlated.

Then, to investigate the second hypothesis, this study will make four blocks of countries – (1) High GTI & High PME, (2) High GTI & Low PME, (3) Low GTI & High PME, and (4) Low GTI & Low PME. It is expected that the countries identified by the USA as safe-haven of terrorist organizations will be concentrated in the first block. Now, to separate the high and low values of GTI and PME, this study will take the 3rd Quartile values of GTI and PME and conclude that –

- if $GTI_i \geq Q_3^{GTI}$, then the i-th country has High GTI, Low otherwise;
- if $PME_i \geq Q_3^{PME}$, then the i-th country has High PME, Low otherwise.

The merit of selecting the 3rd Quartile values is that it will separate the countries as countries with high values and with low values in relative comparison with each other.

Analysis and Findings

In this section, the two research hypotheses will be addressed one by one.

• First Hypothesis – relation between GTI and PME

The first hypothesis is that the greater a country is affected by terrorism the higher will be its share of military expenditure in GDP, if it is not a high-income country.

As is evident from Figure 1, there is no linear correlation between GTI and PME for the 86 countries. For the four income groups, taken individually and together, the values of the Pearson's Correlation Coefficient is presented in Table 2.

Table 2: Pearson's Correlation Coefficient between GTI and PME for the four Income Groups

IG	n	r
High income	32	0.0949
Upper middle income	21	-0.0145
Lower middle income	21	-0.0917
Low income	11	0.3972
Overall	85	0.0604

As found from Table 2, there is hardly any correlation between GTI and PME for any income group. It is in accordance with the expectation that the high-income countries have almost no correlation between GTI and PME. However, for the low-income countries, a weak positive correlation is found. Thus, it can be concluded that the low-income countries affected by terrorism have, more or less, increased their military expenditure as percent of GDP to tackle the problem, but this cannot be said for the countries in other income groups. Table 3 presents the list of 11 countries in the low-income group.

Table 3: List of 11 countries having weak positive correlation between GTI & PME (arranged in descending order of GTI)

SN	Country	GTI	PME
1	Burkina Faso	8.581	4.005
2	Mali	7.907	3.828
3	Niger	7.776	2.070
4	Congo, Dem. Rep.	6.768	1.164
5	Mozambique	6.251	1.732
6	Chad	5.032	2.908

7	Togo	5.004	4.015
8	Burundi	4.043	3.659
9	Uganda	3.702	1.982
10	Central African Republic	0.957	2.285
11	Ethiopia	0.787	0.788

• **Second Hypothesis – Countries with high GTI and High PME are Safe haven for Terrorists**

The second hypothesis is that the countries with greater incidence of terrorism coupled with higher share of military expenditure in their GDP are concentrated in the regions identified by the USA as safe haven for terrorist organizations.

To distinguish between the high values and low values for both GTI and PME, as mentioned in Section 3, the 3rd Quartile values are to be used. Here –

$$Q_3^{GTI} = 4.35 \text{ (approx.) and}$$

$$Q_3^{PME} = 2.65 \text{ (approx.)}$$

So, if $GTI_i \geq 4.35$, the i-th country will be considered as having high GTI, and, similarly, if $PME_i \geq 2.65$, the i-th country will be considered as having high PME.

Accordingly, the four blocks of countries found are presented in Tables 4-7.

Table 4: Countries with High GTI & High PME (Arranged in Alphabetical Order)

SN	Country	GTI	PME	IG
1	Burkina Faso	8.58	4.01	Low income
2	Chad	5.03	2.91	Low income
3	Colombia	6.38	2.87	Upper middle income
4	Mali	7.91	3.83	Low income
5	Myanmar	6.93	3.79	Lower middle income
6	Pakistan	8.37	2.80	Lower middle income
7	Togo	5.00	4.01	Low income
Mean		6.89	3.46	X

Table 5: Countries with High GTI & Low PME (Arranged in Alphabetical Order)

SN	Country	GTI	PME	IG
1	Benin	4.80	0.71	Lower middle income
2	Cameroon	6.94	0.93	Lower middle income
3	Chile	5.16	1.63	High income
4	Congo, Dem. Rep.	6.77	1.16	Low income
5	Egypt, Arab Rep.	4.42	0.87	Lower middle income
6	Germany	4.75	1.52	High income
7	India	6.41	2.44	Lower middle income
8	Iran, Islamic Rep.	6.06	2.06	Upper middle income
9	Iraq	6.58	2.07	Upper middle income
10	Kenya	5.37	0.91	Lower middle income
11	Mozambique	6.25	1.73	Low income
12	Niger	7.78	2.07	Low income
13	Nigeria	7.66	0.81	Lower middle income
14	Philippines	5.17	1.25	Lower middle income
15	Thailand	4.63	1.17	Upper middle income
Mean		5.92	1.42	X

Table 6: Countries with Low GTI & High PME (Arranged in Alphabetical Order)

SN	Country	GTI	PME	IG
1	Algeria	2.42	8.17	Upper middle income
2	Armenia	0.72	5.45	Upper middle income
3	Azerbaijan	0.23	4.60	Upper middle income
4	Bahrain	0.06	3.11	High income

5	Burundi	4.04	3.66	Low income
6	Greece	2.93	3.23	High income
7	Jordan	2.91	4.91	Lower middle income
8	Korea, Rep.	0.58	2.81	High income
9	Lebanon	1.24	8.91	Lower middle income
10	Lithuania	0.42	2.72	High income
11	Oman	2.93	5.40	High income
12	Poland	1.96	3.83	High income
13	Saudi Arabia	0.85	7.09	High income
14	Serbia	0.58	2.85	Upper middle income
15	United States	3.52	3.36	High income
Mean		1.69	4.67	X

Table 7: Countries with Low GTI & Low PME (Arranged in Alphabetical Order)

SN	Country	GTI	PME	IG
1	Angola	1.66	1.33	Lower middle income
2	Argentina	0.80	0.47	Upper middle income
3	Australia	1.97	1.92	High income
4	Austria	0.58	0.84	High income
5	Bangladesh	3.03	1.02	Lower middle income
6	Belarus	0.23	1.80	Upper middle income
7	Belgium	1.35	1.21	High income
8	Bosnia and Herzegovina	1.22	0.81	Upper middle income
9	Brazil	1.43	1.08	Upper middle income
10	Cambodia	0.42	2.09	Lower middle income
11	Canada	1.87	1.29	High income
12	Central African Republic	0.96	2.29	Low income
13	China	1.86	1.67	Upper middle income
14	Côte d'Ivoire	1.45	0.89	Lower middle income
15	Cyprus	0.35	1.82	High income
16	Czechia	2.91	1.52	High income
17	Denmark	0.72	1.95	High income
18	Ecuador	1.55	2.30	Upper middle income
19	Eswatini	0.09	1.57	Lower middle income
20	Ethiopia	0.79	0.79	Low income
21	Finland	0.95	2.42	High income
22	France	2.71	2.06	High income
23	Indonesia	4.17	0.68	Upper middle income
24	Ireland	0.23	0.22	High income
25	Italy	0.93	1.61	High income
26	Japan	0.95	1.20	High income
27	Kosovo	0.78	1.25	Upper middle income
28	Latvia	0.42	2.27	High income
29	Malaysia	1.63	0.93	Upper middle income
30	Mexico	0.58	0.66	Upper middle income
31	Nepal	1.11	1.08	Lower middle income
32	Netherlands	1.40	1.53	High income
33	New Zealand	0.22	1.22	High income
34	Norway	1.20	1.61	High income
35	Paraguay	0.07	0.91	Upper middle income
36	Peru	2.06	1.12	Upper middle income
37	Senegal	1.58	1.47	Lower middle income
38	Slovak Republic	1.02	2.02	High income
39	Spain	1.26	1.51	High income

40	Sweden	1.84	1.47	High income
41	Switzerland	1.27	0.70	High income
42	Tajikistan	1.00	1.22	Lower middle income
43	Tanzania	1.57	1.15	Lower middle income
44	Tunisia	2.18	2.36	Lower middle income
45	Turkiye	3.97	1.50	Upper middle income
46	Uganda	3.70	1.98	Low income
47	United Kingdom	2.64	2.26	High income
48	Uruguay	0.06	2.00	High income
49	Venezuela, RB	0.71	0.50	No information
Mean		1.38	1.42	X

To reflect up on the spatiality of the countries in these four blocks, the Figures 2-4 represent their locations in the world map.

Global Terrorism Index 2025

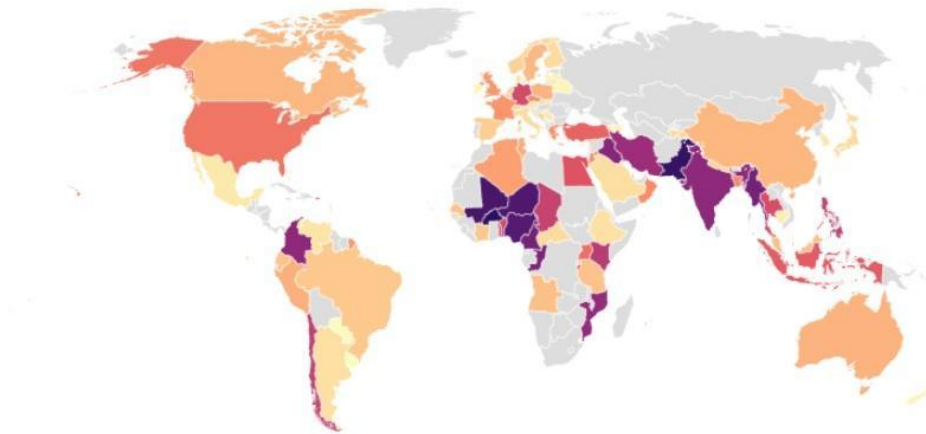


Fig. 2: World Map Showing GTI of 86 Countries under the Study

Military Expenditure (% of GDP)

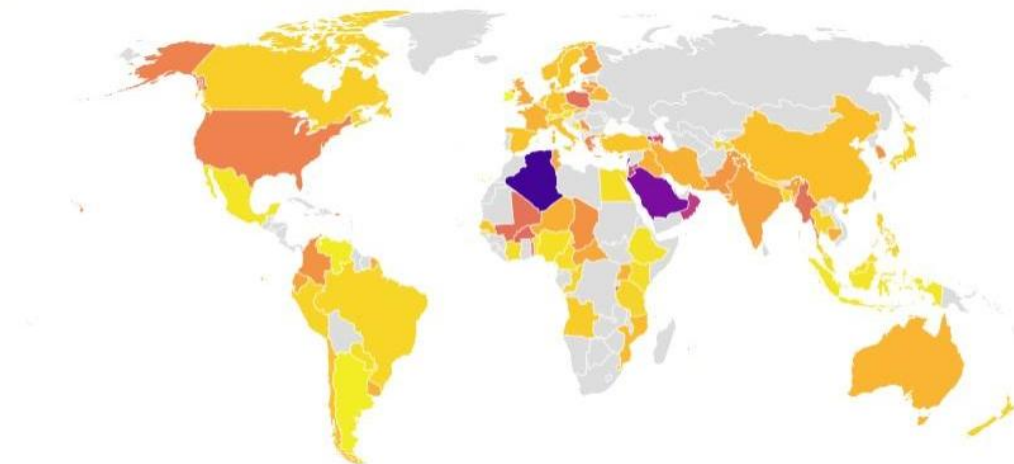


Fig. 3: World Map showing PME of 86 Countries under the Study

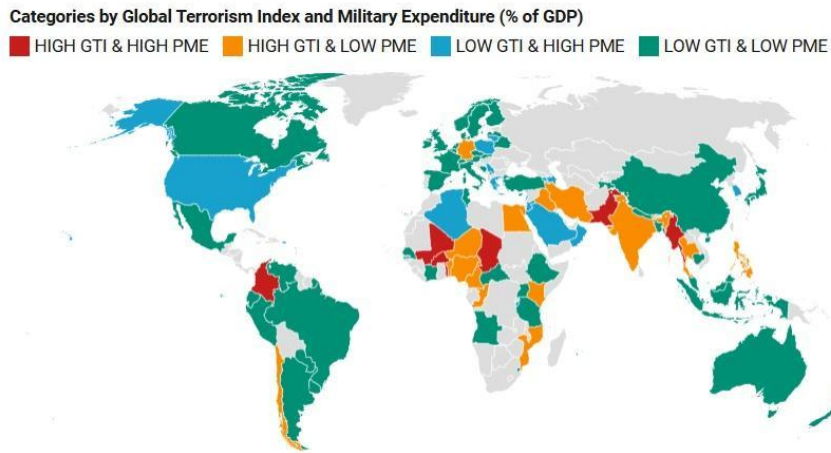


Fig. 4: World Map showing PME of 86 Countries under the Study

Observing Tables 4-7 and Figures 2-4, the following conclusions can be drawn:

- The six countries with a high number of incidents of terrorism and greater share of military expenditure in their GDP are in the Sahel region (Burkina Faso, Chad, and Mali), Southeast Asia (Myanmar), South Asia (Pakistan), and Latin America (Colombia). It was mentioned by the USA that the terrorist organizations extended their activities in the remaining country, i.e., Togo as well. Thus, the countries with high number of incidents of terrorism and greater share of military expenditure in their GDP, in pursuance of the observation by the USA, can be said to have become safe haven for terrorism. These countries have been marked in red in Figure 4.
- However, the countries in the Middle East provide a different scenario altogether. Although they might be safe haven for terrorist organizations, except Saudi Arabia, all countries in the Middle East, have comparatively lesser share of military expenditure in their GDP, although they have a comparatively high number of incidents of terrorism. Looking at the MENA region, Egypt bears the same characteristic, while Algeria is behaving like Saudi Arabia.
- In Latin America, Venezuela, neighbor of Colombia, has a comparatively lower number of incidents of terrorism and has a lesser share of military expenditure in their GDP.
- The higher share of military expenditure in GDP, for Saudi Arabia and Algeria, can be treated as a response to the terrorism-incidents in the neighboring countries, whereas the USA bears the same characteristics, albeit having no difficult neighbor, probably because of its foreign policy of intervention in the matters of other countries.
- Chile and Germany are the only upper middle-income countries which have a comparatively higher number of terrorist incidents and comparatively lower share of military expenditure in its GDP.

Conclusion

This study attempted to investigate the spatial dimension of the interrelation between terrorism, military expenditure, and income group of 86 selected countries with the most recent data available from different sources. Specifically, the two research hypotheses were – (1) the greater a country is affected by terrorism the higher will be its share of military expenditure in GDP, if it is not a high-income country; and, (2) the countries with greater incidence of terrorism coupled with higher share of military expenditure in their GDP are concentrated in the regions identified by the USA as safe haven for terrorist organizations.

Regarding the first hypothesis, Pearson's correlation coefficients suggested that there is only a weak positive correlation between the GTI (Global Terrorism Index 2025) and the PME (percentage share of military expenditure in the GDP in 2023) in the low-income countries, and there is no correlation between the two for the other three income groups (high, upper-middle, and lower-middle). Thus, the first hypothesis stands correct with refined findings.

For investigating the second hypothesis, the 3rd quartiles of the GTI and PME were selected for separating the high and the low values, and four groups were formed – (1) High GTI, High PME, (2) High GTI, Low PME, (3) Low GTI, High PME, and (4) Low GTI, Low PME. It has been observed that the seven countries in the first group (High GTI & High PME) are all included in the list of safe havens (of terrorist organizations) prepared by the USA. However, the countries in the Middle East and Egypt, although have high GTI, have lesser PME in comparison to the other countries with high GTI. Thus, the countries in the safe haven for terrorist organizations, as envisaged by the USA, are not responding to the domestic incidents of terrorism in the same way. It is clear from the World Map that the spatiality in the degree of terrorism-incidents and military expenditure exists, and the income-group to which the countries belong is correlated with this spatiality. Thus, the second hypothesis stands correct with refined findings on the basis of income groups.

A major limitation of this study is that it did not consider any determinant of military expenditure other than the response to domestic or neighborhood terrorism. Besides, it could not cover all the countries. Inclusion of Afghanistan, Syria, etc. could have improved the result of the study. One more drawback of this study is that it is singularly based on the spatiality dimension of the variables considered, whereas the spatiality can change over the years rapidly.

Despite the limitations of this study, it is going to be useful in understanding the regionality in the response to terrorism by different countries and its relation with the income group they belong to. The findings will be valuable to the scholars and policy makers for understanding the domestic and foreign policies of different countries in the context of terrorism, counter-terrorism, and income-group.

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