

## ABSTRACT

Thesis Title : Impact of Military Expenditure on Economic  
Development of Thailand

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The objective of this thesis is to study the impact of military expenditure on consumption and investment, as well as its overall effects on Gross Domestic Product and Thai economy.

The government budget should be allocated more efficiently to raise the quality of life of Thai people, such as providing better health care, education and environment. The budget for these socially need projects, however, will be less available if military expenditure increases continuously.

The study found that military expenditure changes in the same direction with consumption but changes in the opposite direction with investment expenditure. While the increasing military expenditure has positive effects on consumption and Gross Domestic Production, its negative effect on investment causes Gross Domestic Product to decline. The result found is consistent with the study of Michael Chletsos and Christos Kollias on Greece's

military expenditure. Whether the negative effect of military expenditure can cancel out its positive effect on Gross Domestic Product or not is an interesting issue to be further studied.