SENTIMENT AND POLICY:

THE INDO- PAK CONFLICT THROUGH AN ECONOMIC PERSPECTIVE

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SENTIMENT AND POLICY: THE INDO- PAK CONFLICT THROUGH AN ECONOMIC PERSPECTIVE

Dissertation submitted in partial fulfillment of the requirement on the account of field of study of the above-mentioned topic for Database and Statistical Packages of Undergraduate Degree in B.A (Hons) Business Economics.

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Under the guidance of

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DECLARATION

This is to certify that the material embodied in this present project is based on our original research work. Our indebtedness to other works, studies and publications have been duly acknowledged at the relevant places. This project work has not been submitted in part or in full for any other diploma or degree in this or any other University.

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CERTIFICATE OF APPROVAL

The following dissertation titled "Sentiment and Policy: The Economics of the Indo-Pak Conflict" is hereby approved as a certified research project and presented in a manner satisfactory to warrant its acceptance as a prerequisite for the subject Database and Statistical Packages of Under-Graduate Degree in B.A. (HONS.) Business Economics for which it has been submitted. It is understood that by this approval the undersigned do not necessarily endorse or approve any statement made, opinion expressed or conclusion drawn therein but approve the dissertation only for the purpose it is submitted.

ACKNOWLEDGMENT

We express our great sense of gratitude to our Project Supervisor Ms.Garima Malhotra Assistant Professor S.G.N.D. Khalsa College ,
For her kind support and guidance which showed us a way in preparation of various focus points of the project, making it possible and in completing our dissertation. Her emphasis on looking at all the facets helped us in understanding the subject in much more detail and depth.

We also express our sincere thanks and regards to our entire family members, friends, and all others who have helped directly or indirectly in collecting data, information etc. for extending their overwhelming co-operation during the field of study sacrificing their valuable time

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ABSTRACT

India and Pakistan share a past that is irrevocably interlinked, both bear the scars of decades of conflict. Initially thrust into the dynamic of mutual bloodshed by the ramifications of the 2-Nation theory, their history bears scars of major wars and clashes that could have easily expanded into war. As per the World Bank Report, if the artificial barriers were torn down; the trade figures of South Asia's two largest economies could jump from $2 Billion to $37 billion. Furthermore, owing to the complementarity between the different sectors of the nation; tourism, investment would flourish and it is axiomatic that the defence budget on either side would be relatively low. However, the situation isn't this simple and solutions aren't single faceted. While the opportunity cost of the conflict can be easily quantified using the economic figures; the psychological impact, which is an ever-present entity in the metaphysics of the collective cross border consciousness, directly owing to the conflict and indirectly to the underdevelopment stemming from the cost of conflict has often been ignored. Hence, the decision to make this project. 'Sentiment and Policy: The Economics of the Indo-Pak Conflict', as this project has been christened, seeks to encompass the factors which are prevalent in the economic, diplomatic and psychological spheres which reign on both sides of the border. This project also draws inspiration from a few other studies that have been conducted with the same objectives and can, therefore, be called a developmental initiative that seeks to review and consolidate the conclusions of other studies in the field.

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INTRODUCTION

Background of the Conflict

The history between India and Pakistan, both nuclear powers, is inextricably linked and has recently been of extreme geopolitical importance. Post World War II, the British secured India, not as a Nation but in smithereens; part of which was administered directly and the other as 565 princely states. These were not parts of British India, on the whole, having never become possessions of the British Crown, but were tied to it in a system of subsidiary alliances (which were further refined after the undertaking of the Non-Interventionist Policy by Richard Wellesley).

The terms of the Treaty of Allahabad imposed a subsidiary alliance with the British such that the ruler would consider East India Company as the paramount power; accepting their army, along with a British official in his territory and making payments for their maintenance. It formally marked the inception of the British Rule in India.

In all of its modern imperial possessions, Great Britain defined its subjects through formalized ethnic, racial and religious identifiers and associated them with specific locations and territories, usually constraining them to some degree to live and work in the locations that had been designated for their group. These processes of formal definition typically exaggerated the distinctions between existing groups and identities in colonial societies, invented or fabricated attributes or characteristics of those groups, and built in the presumption that different groups would be antagonistic or rivalrous with one another but for the intervention of British imperial authority. The divisions in the cultural, ethnic and religious spheres were exploited by the British when it was advantageous to do so, called the "Divide and Rule" policy of the British, a de facto description of the many Imperial Polices. The biggest example being the 'partition' of Bengal in the early 20th century was specifically done to create a region where the Muslim League could gain political power at the expense of the Indian National Congress - because the Congress had quickly gained mass popularity across India, and was becoming a stronger representative voice for the 'natives'. Then came the the Two Nation (more of a strategic bargaining tool in the beginning) stated that the interest of the Muslims could only be accommodated by the partition of India into India and Pakistan(which comprised of the Muslim majority provinces of British India namely Punjab NWFP Baluchistan Kashmir Sindh and Bengal). It found its

acceleration with the 1946 Cabinet Mission Plan, which was crucial in pushing the subcontinent to the brink of fragmentation.

The partition of India into two separate nations was thus a consequence of a curious mix of political jugglery, parochial interests, and a rising value accorded to a political system based on the nation-state. The gist being that The Partition was a source of grief and tragedy for many and is embedded in the national memory of both nations as a traumatic event. 1 million dead and 15 million uprooted from their homes, is the estimate.

Wars have erupted ever since, over Kashmir, dissecting the princely state of Kashmir in two and making its 750km-long portion of the border a perpetual subject of dispute. The 1971 War marked the birth of a new nation or a renewal of East Pakistan as 'Bangladesh'. The two countries have been involved in a number of wars, and conflicts and military stand-offs.

Present Scenario

South Asia has never been far from turmoil; owing to factors like disputed borders and territories, dearth of resources and natural disasters. In the midst of the chaos; the India Pakistan crisis has been able to highlight itself in 2019 as a result of the severely overwrought relations between the nuclear neighbours. The geo-strategic location of Kashmir is the paradise and an asset that Pakistan is determined to gain. Although the India-Pakistan rivalry cannot be viewed exclusively as extension of the conflicts of external powers, major powers, China, USA and Russia have long been intimately involved on often changing sides. External connexion and alliances have prolonged the India-Pakistan rivalry, provided the means for both border skirmishes and the nuclear stand-off, but also at times diffused tensions. The nations, despite being at constant disputes, find similarity in their shortcomings. According to a report by The Economist, ***"Both have greatly underinvested in education and health, for example, forcing even the poorest to resort to private schools and hospitals. The formal economy generates few jobs; in Pakistan 73% of the non-farm workforce is off the books, in India over 80%. Both countries have made great strides in reducing poverty but remain starkly unequal, and indeed are becoming more so. In 2016 just 1% of Indians owned more than 58% of the country's wealth, up from a 37% share in 2000. Earnings are skewed geographically, too: India's richest states enjoy four times the income per person of its poorest, Bihar. In the smaller towns of Pakistan's Balochistan over 90% of the population lives in poverty, compared with only 10% in Lahore."***

India and Pakistan are not likely to resolve their differences in the foreseeable future. The reconciliation, though not impossible, will need to come by the way of

reinforcement of trust and amicable relations, in ponderous and not through some sudden diplomatic breakthrough. However, the persisting strained relationship is cause for the deteriorating economic conditions, having direct implication on the mental health of the citizens

Introduction to Economics

Paul Samuelson, the Nobel prize winning economist, first coined the terms "butter" and "guns" in 1948, denoting civilian oriented production and military oriented production respectively. Samuelson settled on the terminology while taking in account Nazi Germany, where the government was committed to increasing military expenditures (guns) at the expense of civilian production and consumption (butter). As guns increase, butter must decrease; there is no alternative allocation for available resources. The implicit assumption is that all productive activities are subject to appropriation.

The India-Pakistan elegy has dominated the intellectual discourse in South Asia for nigh on 6 decades. No two countries share the intense animosities they do, with perhaps the exceptions of South and North Korea. They have fought five times and prosecuted unceasing campaigns to destabilize each other by somewhat unconventional means. This has certainly imposed costs on both of them. One does not have to labor too much over the fact that South Asia is one of the poorest regions in the world with the greatest concentration of poverty in the world, highest incidence of poverty, and abysmal Human Development Indices. Taking this parameter into account the strategic outlook for both countries has changed dramatically since they fought their first war over Kashmir in 1947-48.

Kashmir remains a bone of contention but larger issues have begun dominating their defense thinking and planning. India now is a major regional and emerging global power in both economic and military terms. Its military forces of some 1.2 million persons now look beyond the threat of violence from across the Pakistani border, from both state and nonstate actors, to rivalry with China in the Himalayan border region and in new areas such as the South China Sea, the Straits of Malacca, and the greater Indian Ocean Region. Pakistan is no longer entirely India-centric, though for its military India still looms large in its calculations, perhaps unduly so. Pakistan faces a huge home grown threat of militancy and a hot border to the west with a volatile Afghanistan, where internal troubles beyond the departure of the

coalition forces in 2014 could exacerbate Pakistan's fight against its own Taliban, by providing reverse sanctuary to Pakistani insurgents. India also sees Pakistan as China's military and political ally, and militarily prepares for a contingency involving both its rivals.

Pakistan has a population of 200 million and India 1.2 billion. According to the United Nations Development Program's human development indicators, 21.0 percent of Pakistan's population lives on under $1.25 a day. In India's case, while this has come down from 41.6 percent in 2005, but it has now become relatively obdurate at 22.6 percent. This coincides with a period when India's gross domestic product (GDP) grew at an average of over 7.4 percent, while Pakistan's economic condition deteriorated very clearly suggesting the need to maintain high levels of GDP growth to make a dent on poverty. Yet both countries' defense spending continued to rise in real terms, especially in the period 1998-2010, with India's defense expenditures growing in constant dollars from some $20 billion to over $45 billion and Pakistan's from slightly below $5 billion to slightly more than $5 billion over this period. The share of this spending in the GDP of both countries has declined over this period, with India's declining from under 5 percent to under 3 percent and Pakistan rising initially from below 3 percent to over 3 percent in 1999 and 2000 to below 3 percent in 2010. There is little doubt that both sides will hugely benefit from an expansion of bilateral trade. According to some estimates this has the potential of growing to $40 billion in just a few years. Ijaz Nabi, a former World Bank economist, has said:

> "If Pakistan wants to play its historical geo-strategic role as a trade hub, it cannot do so without trade with India. If it revives the historic east-west and north-south trade routes, this could be a major source of growth for the next four to five decades. India has a larger role to play in making south Asia—home to much of the world's population—a vibrant economic region."25

Anita Batra with the Indian Council for Research on International Economic Relations (ICRIER) has shown that a fivefold increase in trade between the two countries is possible from the present $2 billion a year if the trade regime between the two counties were normal. As Toufiq A. Siddiqui argues, "Peace could bring a wide range of benefits not only to India and Pakistan but to the wider region as well. For example, it could enable cooperation on importing energy via a natural-gas pipeline [from Iran and Central Asia], which would support

environmentally sound development." The bilateral trade between India and Pakistan can easily evolve into a major economic factor, if both countries seriously proceeded with it.

Psychological facet

The events occurring in the period of the partition in 1947 are now 70 years ago. Most of those who witnessed the incomprehensible horrors of these times are no longer alive. Those who lived through its violence would have experienced a number of traumatic events, ranging from witnessing slaughter, the treachery of life-long neighbours, fleeing their homes under threat of rape and lynching, starvation and destitution. 70 years ago concepts such as Post traumatic stress disorder (PTSD) where not part of the understanding of trauma in refugees in the way they are today, however it is likely that large numbers of people fleeing their residences to their respective future countries would have experienced what we now understand as PTSD.

Trauma is a recurrent aspect of life in the militarized zones of Jammu and Kashmir, where conflict has escalated sporadically since partition. From the time of independence in 1947 Jammu and Kashmir, a multi-ethnic state with a Muslim-majority population has remained a poor region of India, despite being well endowed with natural resources. This lack of economic development along with intervention of Islamist Elements (often non state – actors sponsored by Pakistan) has fueled resentment against the Indian state and has led to a hardening of view within the Muslim population that they were being discriminated against.

Since 1989, conflict in Kashmir has undergone several transformations. The conflict in its present state now embroils the wider pan-Islamic movements in the region that are often aggregated around the threatened identity polarization within Islam. The recent heightened levels of violence have been largely unprecedented with allegations of human rights abuses being leveled against the Indian Military with Pakistani intelligence services actively supporting militant separatist groups.

While there has been no outbreak of open hostilities between India and Pakistan in recent years, the region is heavily militarized and policed, and 2016 and 2017 has seen a great deal of unrest following the killing of a prominent Jihadist military commander (Burhan Wani) in Kashmir. Over 100 people died and 15000 civilians were injured during the unrest. These figures underestimate the extent of the human consequences of the social unrest.

Unrest resulted in nine months disruption to normal life, including disruption to services (e.g. phone services), an imposition of curfews and a heightened feeling of insecurity, threat and danger. In its annual survey the medical charity Médecins Sans Frontières (MSF, 2015), 45% of people in Kashmir are impacted by trauma,

although this figure may be higher depending on how data are interpreted.. A report published by Action Aid India at the beginning of 2017, reports that 12.3% of Kashmiris in their 2015/2016 study had witnessed conflict induced traumatic events in their families (for example, members of the family killed, disappeared, detained, tortured or disabled due to conflict related reasons).

When looking at this group a significantly higher proportion of about 24.3% had developed a mental health disorder, in contrast with the Kashmiri population as a whole (11.3% of Kashmiris have a mental health condition). Only 6% of people suffering mental health conditions have access to mental health services, resulting in the effects of trauma remaining untreated.*"The exposure to trauma and mental illness also leads to intergenerational trauma through a cycle of increased stress in families, declining socio-economic conditions, health care burden, anger, breakdown of families (therefore support system), and inability to take care of children, marital issues and so on. In worst case scenarios, it also leads to social isolation, and affects the economic productivity of people suffering from illness and their caretakers." Action Aid India (2017, p.44)*

Potentially this conflict creates a never-ending cycle of violence and trauma unless the conditions and which feed this cycle can be changed. **We now move on to a country wide assessment of Mental Health and the diagnosis of Anomalies**. Anthony Zwl(1991) has found a greater correlation between the military spending and mental health anomalies through his paper.This project aims to draw a correlation b/w of the continuous trauma, pain and economic tribulations and military spending accordingly through the usage of secondary data.

STATEMENT OF OBJECTIVES

❖ **Broad Objectives**

To establish a correlation between military expenditure (as an independent variable), employment rate, poverty rate and mental affliction diagnosis(as dependent variable) through the perspective of Indo-Pak conflict discourse

❖ **Specific Objectives**
1. To examine the background of the conflict
2. To examine the relevant psychological facets
3. To study the relationship between the quantifiable figures after the aforementioned comparison

❖ **Hypothesis**
- There is no relation between High Military Expenditure and Employment Rate, Poverty Rate, Mental Affliction Diagnosis in the context of the Indo-Pakistani conflict discourse (circa 2015)

LITERATURE REVIEW

India and Pakistan: The Opportunity Cost of Conflict by Mohan Guruswamy and Shuja Nawaz

This is an important paper on a topic of vital importance. It carefully and convincingly shows how much the people of India and Pakistan have lost by way of income and security because of the hostility and military competition between them. The cost of the military itself is substantial, particularly in these countries where poverty is widespread and needs are acute. But the cost of arms and armies is only part of the problem.

Two countries full of a young working force, industrious people and many complementary capabilities. In this setting, trade should be booming, much to the benefit of people in both countries. Instead, trade is at a mere trickle. The study accurately encapsulates the tragic rift that the 2 nations find themselves embroiled in through an economic perspective.

Cost of Conflict between India and Pakistan by Ilmas Futehally and Semu Bhatt

This Study on the cost of conflict between India and Pakistan elaborates on the various sectors and trade activities of the 2 nations in intricate detail while simultaneously outlining the opportunity cost of conflict. People often believe that such costs are manageable, this study dispels the notion by consolidating the facts from 1956 to 2009.

This document is of exceptional quality in its comprehensive coverage and analytical strengths. It is the first time that we have such all encompassing information and analysis in one place on the implications of adversarial relationship between India and Pakistan.

The Co-Authors Ms Ilmas Futehally,Ms Semu Bhatt and creative consultant, Ms Sumedha Vaidya present a brilliant Study that comprehensively brings about an innate understanding in the reader.

RESEARCH METHODOLOGY

Research Design

This project seeks to establish a correlation between military expenditure (as an independent variable), employment rate, poverty rate and Mental Anomalies among the population; of India and Pakistan, respectively. In the development of research, the model is designed employing secondary data that denotes annual figures of the dependent and Independent variables in the model. The data is utilized to develop and prove the reliability of the model, thereby supplementing the explanation of the above-mentioned variables.

The Military Expenditure, unemployment rate has been generated by tradingeconomics.com. The information about the poverty rates is available on the World Bank Website which is adjusted and depicts the total percentage of the level of poverty within the country. The Data of Mental Affliction in Pakistan is being accredited to the research work and data provided by NCBI.

Statistical Package for Social Sciences (SPSS) and MS-Excel have been employed to assess the correlation between the Military Expenditure and Mental Health Diagnosis of India and Pakistan.

Sampling Design

We have reviewed years of data pertaining to the Military Expenditure and Mental Health Diagnosis of India and Pakistan, to determine and substantiate the relationship between the two factors.

Data Collection

Secondary Data has been consolidated for the research from authentic sources. Secondary data is useful in building the regression model and conducting test theorems.

Data Presentation and Analysis

The research has been set out with the purpose of investigating the possible relationship between the Military Expenditure, Unemployment Rate, poverty rate and Mental Health Affliction of the people of India and Pakistan. The correlation is designed on the multiple regression model assuming linear relationship between the variables.

Linear regression is the main tool adopted to find the value of parameters.

The various tables analysed are as follows:

- **Descriptive statistics:** To study mean, standard deviation, number of observations in observed data.

- **Correlation:** To study the strength of the relationship among the variables.

- **Model Summary:** Discusses the value of R square and adjusted R square

- **Anova Table:** To analyze the variance and determine the F test for overall significance

- **Coefficient Table:** To determine the value of standardized and unstandardized coefficients

- **Trend figures:** To study pattern of changes pertaining to the variables

ANALYSIS AND INTERPRETATION

TABLES ARE PRESENTED IN THE ANNEXURE

Table 1 has presented the data on military expenditure (as an independent variable), employment rate, poverty rate and mental affliction diagnosis(as dependent variable) of India & Pakistan circa 2015.

Table Series 2 depicts the regression between military rate and unemployment rate. The Method used is the Enter Method. The Bivariate Correlation Coefficient, R, between Military Expenditure and the unemployment rate is 1. This figure is extreme and thus we can say that the extent of relationship b/w these variables is unavoidable. The R Square of the Model is also 1. This(falsely) implies that approximately 100% of the variation in unemployment rate is explained by Military Spending.

Table Series 3 depicts the regression between military rate and poverty rate. The Method used is the Enter Method. The Bivariate Correlation Coefficient, R, between Military Expenditure and the poverty rate is 1. This figure is extreme and thus we can say that the extent of relationship b/w these variables is unavoidable. The R Square of the Model is also 1. This(falsely) implies that approximately 100% of the variation in poverty rate is explained by Military Spending.

Table Series 4 depicts the regression between military rate and Mental Affliction diagnosis. The Method used is the Enter Method. The Bivariate Correlation Coefficient, R, between Military Expenditure and the unemployment rate is 1. This figure is extreme and thus we can say that the extent of relationship b/w these variables is unavoidable. The R Square of the Model is also 1. This(falsely) implies that approximately 100% of the variation in Mental Affliction diagnosis is explained by Military Spending.

The Regression sum of squares tells us how much of the variability is accounted for by the regression model which is the fitting of the least squares line. The residual sum of squares tells us how much variability is unaccounted for by the regression model. The total variability is the sum of both regression and residual variability; these are depicted by each Table Series.

CONCLUSION

The bilateral trade between India and Pakistan can easily evolve into a major economic factor, if both countries seriously proceed with it. However, this remains a pipe dream. The unceasing conflict and war-like situations have resulted in unavailing expenditure on the Military practices, direct implication being the human cost, along with the prevailing underdevelopment on both sides of the

border. The underdevelopment being identical with unemployment and the poverty rates. Mental Health infrastructures in both nations labour under a populace which continue to stigmatise destitution & mental disease. Increasingly nationalistic governments on both sides are making us witness an escalation in militarization with greater import given to chest thumping policies glorifying violence and lesser towards focussing on the collective wellbeing of people on both sides . India and Pakistan seriously need to invest efforts in reforming and rehabilitating their relations so that trade can flourish and the Military Expenditure can be brought down significantly, thus, reforming the social and health infrastructures of the country and need to simultaneously strive for a more peaceable attitude.

Limitations of the Study

There are certain drawbacks to this study as there are in any considering that these are human enterprises. Some limitations are as follows-:

1) Data Collection - Relying on secondary data means that an error in the source will also be carried out in the research. That is, errors and assumptions not disclosed in the source document will reoccur in the research. For example, unemployment data is not inclusive of data from all sectors of the economy.
2) Time - The research has been conducted over a period of time which might be considered short by some counts or obsolete by others. Data collection had to be limited and the verification of the secondary data is nearly impossible. Reliability depends on the source of the data.
3) Lack of resources - Lack of resources limited the spectrum we could sift through as accurate data could only be collected through obscure studies and citations with nearly no prevalence of primary data.

Suggestions for further research:

1) It is recommended to improve the reliability and validity of the results by adding more variables and employing a possibly primary source of data.
2) A greater time span with greater proximity to current times should be taken into account for more accurate results, this could have led to better accuracy in the data.

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ANNEXURE

TABLE 1 : DEPICTING DATA

COUNTRY	MILITARY EXPENDITURE (USD MILLION)	UNEMPLOY MENT RATE AS A % OF THE POP	POVERTY RATE AS A % OF THE POP	MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP
INDIA	54729	2.78	28	10.46
PAKISTAN	10133	6	25	3

TABLE SERIES 2(REGRESSION BETWEEN MILITARY RATE AND UNEMPLOYMENT RATE)

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	MILITARY EXPENDITURE (USD MILLION)[b]	.	Enter

a. Dependent Variable: UNEMPLOYMENT RATE AS A % OF THE POP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	.	.

a. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.178	1	5.178	.	.[b]
	Residual	.000	0	.		
	Total	5.178	1			

a. Dependent Variable: UNEMPLOYEMENT RATE AS A % OF THE POP

b. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.729	.000		.	.

	MILITARY EXPENDITURE (USD MILLION)	-7.213E-5	.000	-1.000	.	.

a. Dependent Variable: UNEMPLOYEMENT RATE AS A % OF THE POP

TABLE SERIES 3 (REGRESSION BETWEEN MILITARY EXPENDITURE AND POVERTY RATE)

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	MILITARY EXPENDITURE (USD MILLION)[b]	.	Enter

a. Dependent Variable: POVERTY RATE AS A % OF THE POP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	.	.

a. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.500	1	4.500	.	.[b]
	Residual	.000	0	.		
	Total	4.500	1			

a. Dependent Variable: POVERTY RATE AS A % OF THE POP

b. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.320	.000		.	.
	MILITARY EXPENDITURE (USD MILLION)	6.724E-5	.000	1.000	.	.

a. Dependent Variable: POVERTY RATE AS A % OF THE POP

TABLE SERIES 4 (REGRESSION BETWEEN MILITARY EXPENDITURE AND
MENTAL AFFLICTION DIAGNOSIS)

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	MILITARY EXPENDITURE (USD MILLION)[b]	.	Enter

a. Dependent Variable: MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	.	.

a. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.826	1	27.826	.	.[b]

Residual	.000	0	.		
Total	27.826	1			

a. Dependent Variable: MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP

b. Predictors: (Constant), MILITARY EXPENDITURE (USD MILLION)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.309	.000		.	.
	MILITARY EXPENDITURE (USD MILLION)	.000	.000	1.000	.	.

a. Dependent Variable: MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP

TABLE 5 - T TEST

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
MILITARY EXPENDITURE (USD MILLION)	2	32421.0000	31548.27615	22308.00000
UNEMPLOYEMENT RATE AS A % OF THE POP	2	4.3910	2.27547	1.60900

POVERTY RATE AS A % OF THE POP	2	26.5000	2.12132	1.50000
MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP	2	6.7300	5.27502	3.73000

TABLE 6

One-Sample Test

Test Value = 0

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
MILITARY EXPENDITURE (USD MILLION)	1.453	1	.384	32421.00000	-251029.0153	315871.0153
UNEMPLOYEMENT RATE AS A % OF THE POP	2.729	1	.224	4.39100	-16.0533	24.8353
POVERTY RATE AS A % OF THE POP	17.667	1	.036	26.50000	7.4407	45.5593
MENTAL AFFLICTION DIAGNOSIS AS A % OF THE POP	1.804	1	.322	6.73000	-40.6641	54.1241