Our research project contributes to the existing literature by focusing on the geographical distance to Russia as a key determinant of military spending. The novel approach in this research area of employing Bayesian Model averaging offers a robust econometric method for analyzing complex relationships that demand a high number of control variables and could be extended to further research on military expenditure.

While our project provides new insights, there are still several avenues for further explorations. Investigating the reasons behind specific countries’ deviations from the 2% GDP allocation norm within NATO and understanding how regional alliances or geopolitical interests might interact with geopolitical proximity could yield additional valuable findings.

By utilizing measures beyond just capital city distances as a proxy for distance, our analysis reveals diverse results prompting us to consider whether further exploration with different distance definitions could contribute further to understanding this area. Moreover, a potential shift from geographical distance to political distance to Russia could provide a fresh perspective, exploring, how countries’ political perception of Russia influences their defense spending over time.

In conclusion, our research underscores the importance of physical geography and external security factors influencing military spending decisions. By examining the influence of geographical distance to Russia on military expenditures, we have enriched our understanding of how perceived threats and security concerns are translated into defense policies on a global scale. The finding from our analysis suggest that Policymakers should consider the geographical context and security concerns when planning defense budgets and contribute to the broader discourse on defense spending determinants, encouraging further exploration in this area.