

Globalization and Conflict in Developing Countries: Role of Institutional Quality

by

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Abstract

Globalization may either be a blessing or a curse for any country depending on its effects on the economy and lives of human beings. Conflicts whether inter-state or intra-state have devastating effects on economic as well as human development. The study aims to analyze the impact of globalization on conflict by focusing on the role of institutional quality in this relation. According to structuralists, globalization may increase conflict by increasing inequality and poverty through unequal distribution of resources. On the contrary, liberalists view that globalization reduces conflict by promoting overall economic growth and is beneficial for the masses. Moreover, the state with better institutional quality has more ability to deal with the effects of globalization. The study focuses on both the intra-state and inter-state conflict and has considered different dimensions of globalization namely, economic, social and political for the panel of 83 developing countries over the period 1970-2020. Other variables incorporated in the study are GDP growth, total natural resource rent, population growth, and ethnic fractionalization. Results are in accordance with the structuralist view indicating positive relationship between globalization and inter and intra state conflict. Moreover, better institutional quality is mitigating the negative impact of globalization on conflict.

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