

Globalization and conflicts: the good, the bad and the ugly of corporations in Africa

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July 2017

Extended Abstract
Preliminary and incomplete - Do not circulate

Abstract

This article combines georeferenced data on affiliates and headquarters of multinational enterprises with information on conflicts at a spatial resolution of $0.5^\circ \times 0.5^\circ$ for all Africa between the years 2007 and 2015. Exploiting exogenous and heterogeneous variations in the headquarters performance during the crisis, this work is the first to establish a causal link between multinational corporations' activities and violence. Results show that the presence of exploitative multinationals' affiliates significantly increases the probability of violence, while affiliates increasing locals' human capital significantly decrease the latter.

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