



Does Increased Globalization Improve Citizens' Quality of Life?

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Research Question

What are the effects of increased globalization on quality of life?

In a world in which globalization is often discussed as a positive force, my research seeks to determine if this is true for citizens' quality of life.



Slums in India



Container Ship Transporting Goods



Tribal Woman Drinking Coca-Cola

Variable Selection

To measure quality of life, I chose to use the 8 Millennium Development Goals identified and measured by the United Nations:



- 1) Eradicate extreme poverty and hunger
- 2) Achieve universal primary education
- 3) Promote gender equality and empower women
- 4) Reduce child mortality rates
- 5) Improve maternal health
- 6) Combat HIV/AIDS, malaria, and other diseases
- 7) Ensure environmental sustainability
- 8) Develop a global partnership for development

To measure the level of globalization, in line with other economists, I used a value termed "openness" defined as:

$$\text{Globalization} = \frac{\text{Imports} + \text{Exports}}{\text{Gross Domestic Product}}$$

Methodology

Creation of an economic analysis using Ordinary Least Squares Regression:

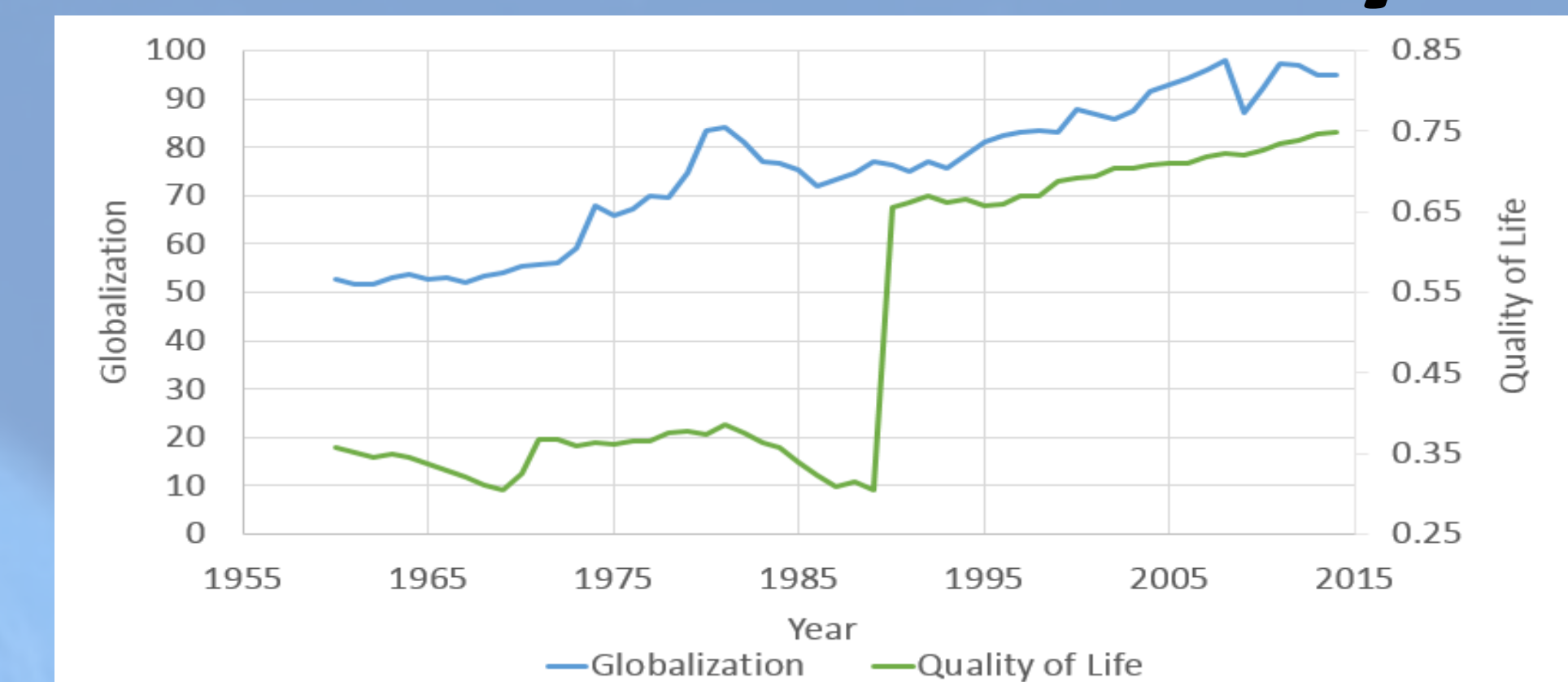
$$\text{Quality of Life} = B_0 + B_1 \text{Globalization} + B_2 \text{Region} + B_3 \text{Inflation} + B_4 \text{Population} + B_5 \text{Population Growth} + B_6 \text{Student-Teacher Ratio} + B_7 \text{Literacy} + B_8 \text{GDP} + B_9 \text{Education} + B_{10} \text{Consumption Spending} + B_{11} \text{Political Stability} + E_i$$

Addition of control variables including: political stability, population growth, GDP, population, secondary education completion rate, literacy rate, and student-teacher ratio

Fixed Effects model to control for regional differences

Tested for multicollinearity, serial correlation, heteroscedasticity, and other robustness checks to confirm conclusions

Globalization and Quality of Life



This graph represents the global average quality of life and globalization between 1960 and 2014.

Further Study

- Collect new data to represent more countries
- Represent more years in my model
- Remove internet availability data from my model
- Add controls for tax rate, personal income, and historical colony status
- Perform analysis with minimum and average, in addition to maximum, MDG percentage

Preliminary Conclusions

Data Name	Data Definition	Sign	Coefficient	P value	Reject?
Globalization	Log of the summation of exports and imports (% of GDP)	+	0.29	0.003	Reject
Central America/Caribbean	Region of the World	-	-0.16	0.027	Reject
South America	Region of the World	-	-0.02	0.721	Fail to Reject
Europe	Region of the World	-	-0.01	0.897	Fail to Reject
Africa	Region of the World	-	-0.08	0.348	Fail to Reject
Middle East	Region of the World	-	-0.12	0.090	Fail to Reject
Inflation	Inflation (annual %)	-	-1.8 E-3	0.082	Fail to Reject
Population	Population Total	-	-6.2 E-11	0.622	Fail to Reject
Population Growth	Population Growth (annual %)	+	0.01	0.402	Fail to Reject
Education	Pupil Teacher Ratio, Secondary Schools	+	8.6 E-4	0.716	Fail to Reject
GDP	GDP (per capita)	-	-5.0 E-7	0.806	Fail to Reject
Secondary Education	Lower Secondary Completion Rate (of students in age for secondary education)	-	-2.1 E-3	0.015	Reject
Literacy	Total Adult Literacy Rate	-	-1.1 E-3	0.468	Fail to Reject
Consumption Spending	Government Consumption Expenditure (% of GDP)	+	8.5 E-4	0.343	Fail to Reject
Political Stability	Political Stability/Absence of Violence (Percentile Rank by WGI)	+	2.1 E-3	0.010	Reject

- Globalization had a positive and significant effect on Quality of Life
- Central America and the Caribbean had the lowest development of all regions
- Secondary Education had a negative and significant effect on Quality of Life

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