

Cultural Tension and Large- and Small-Scale Internal Conflicts

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Abstract: This study analyzes how cultural tensions (i.e., ethnic and religious) affect various internal conflicts (e.g., civil war to civil disorder) across different regions. The study also examines the role of governance in mitigating the effects of cultural tensions on the emergence and escalation of conflict. The comprehensive study has 136 countries from 1990 to 2021, and panels are separated by region and OECD status. The study uses two-way fixed effects with Driscoll and Kraay standard errors to account for heteroscedasticity, autocorrelation, and cross-sectional dependence. Although there are some regional variations and nuances, the results indicate cultural tensions are significant determinants of (1) the broad measure of internal conflict, (2) civil wars/coups d'état, and (3) political violence/terrorism. Therefore, one implication is that cultural tension continues to drive internal conflict. A second implication is that even in OECD countries, where institutions and governance structures are robust, cultural tensions can still significantly contribute to the emergence and risks of internal conflict. However, ethnic and religious tensions are less influential in smaller-scale conflicts, such as civil disorders, where government stability is a more important determinant. Furthermore, the study finds that government strength is vital in moderating all forms of internal conflict, indicating that even moderate cultural tensions can escalate into significant conflicts in the presence of weak governance. The study underscores the ongoing importance of addressing ethnic and religious tensions. Policy recommendations to reduce cultural tensions include (1) promoting cultural inclusiveness within societal/political dimensions, (2) promoting tolerance, (3) allowing some autonomy to cultural enclaves, and (4) actively monitoring cultural tensions and policy initiatives.

Keywords: Internal conflict, civil disorder, political violence, terrorism, civil war, ethnicity, religion

Cultural differences have long been identified as a source of conflict (Huntington, 1993; 1996). For instance, *The Histories* identifies cultural differences between the Greek and Persian civilizations as underlying factors contributing to the Greco-Persian Wars (Herodotus et al, 1998). In the present landscape of evolving global politics, growing cultural divides can escalate and

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disseminate conflicts (Huntington, 1993; 1996; Niedziela, 2018; Steger, 2009). For example, cultural determinants are sources of internal conflict in the Syrian Civil War and the Tigray Conflict (Abosedra et al., 2021; Jima, 2023). Understanding the role of cultural tension in internal conflicts continues to be crucial, given the severe consequences of internal conflicts, such as loss of life, population displacement, economic turmoil, and instability (Collier, 2007; Kahl, 2007; Kalyvas, 2006; Kouladoum et al., 2023). Although much literature suggests cultural tension can lead to conflict, the link is not definitive (Ayers & Saideman, 2000; Fletcher & Iyigun, 2009; Gurr, 1993). Furthermore, studies underscore the complexity of the relationship between cultural tension and internal conflicts (Aspiras & Aspiras, 2021; Kataria, 2020; Niedziela, 2018). For instance, Niedziela (2018) discusses the multifaceted nature of diversity and conflict in Asia, highlighting that diversity does not necessarily lead to conflict. Furthermore, Kataria (2020) emphasizes the role of structural, political, and economic factors alongside culture.

Given the complexity of the culture-conflict nexus, this study seeks to advance understanding by offering a comprehensive and unique approach. The study is thorough, representing 70 percent of countries over the last 30 years. It provides an extensive analysis of how cultural tension affects various forms of internal conflict in different regional and OECD panels. The approach facilitates a macroscopic and microscopic view of the relationship between cultural tension and conflict. Furthermore, it fills a gap by incorporating risks into cultural tension and conflict measures. Unlike previous studies focusing solely on event data, this research includes risks. Therefore, it provides a dynamic and high-level view of the effects of cultural tensions on internal conflicts. Lastly, the scope of the study is extensive, examining a wide range of conflicts (e.g., civil war to civil disorder), which allows the analysis to identify which forms of conflict are more likely to surface as cultural tension increases. Building on the unique analytical framework and the extensive dataset that incorporates a spectrum of internal conflicts, this research explores these overarching questions:

1. Does cultural tension, or specific types, have a uniform effect on various internal conflicts, or does its influence vary?
2. Does the relationship between cultural tension and internal conflict vary across geographical regions or OECD status?
3. Does effective governance mitigate cultural tension and the emergence and escalation of internal conflicts?

Internal conflicts have different magnitudes and, hence, consequences. Without a doubt, the consequences of an armed uprising or civil war are much direr than protests against the government or fistfights between different ethnic groups. Similarly, various cultural tensions may have differing consequences. For instance, does religious tension cause a different magnitude or different type of internal conflict than ethnic tension, and vice versa? This study explores the multifaceted role of ethnic and religious tension in different forms of internal conflicts. The study is unique in using recently released data from the International Country Risk Guide (ICRG), which disaggregates data on internal conflict (PRS Group, 2023). The more granulated dataset permits a more detailed exploration of the role of cultural tension on distinct forms of internal conflict, including civil wars/coups d'état, political violence/terrorism, and civil disorder. We hypothesize that different cultural tensions cause different types of internal conflict. Furthermore, a region's specific socioeconomic, cultural, historical, and religious structure and background can augment or reduce the effect of a particular cultural tension and result in different types of internal conflict. Cultural tension may be more pronounced and direct in large-scale conflicts, potentially as a primary catalyst (Bove & Gokmen, 2017).

Government stability is an important intervening variable in the conflict-culture nexus (Fearon & Laitin, 2003). For instance, scholars such as Fearon and Laitin (2003), Kumar and Chowdhury (2020), Lake (2022), and Pinto and Zhu (2018) claim that it is the existence of “cultural grievances” coupled with “weak governments” that trigger internal conflict. The study investigates whether government strength, measured by unity within the government and support from the populace, reduces internal conflict, especially when combined with cultural tension. To further illuminate the relationship between government strength, cultural tension, and internal conflict, this study tests a series of hypotheses:

- H₁ – Cultural tension (i.e., ethnic and religious tension) is a significant determinant of the comprehensive measure of internal conflict (i.e., civil war/coups d’état, political violence/terrorism, and civil disorders).
- H₂ – Cultural tension is a significant determinant of civil war/coups d’état and its risks.
- H₃ – Cultural tension is a significant determinant of political violence/terrorism and its risks.
- H₄ – Cultural tension is a significant determinant of civil disorder and its risks.
- H₅ – Strong governance mitigates cultural tension and internal conflicts.
- H₆ – Due to more robust governance and institutions, the relationship between cultural tension and internal conflict measures is insignificant in OECD countries.
- H₇ – The effects of cultural tension on various forms of internal conflicts are not uniform but vary based on factors such as region and intensity.

The study supports hypotheses 1, 2, and 3 in numerous regions and model specifications. The findings underscore the persistent role of cultural tension in these more severe forms of internal conflicts across diverse geopolitical landscapes. The study finds little support for hypothesis 4. The results suggest cultural tensions play a lesser role in smaller-scale conflicts like civil disorders, suggesting that while they may fuel more severe internal conflicts (e.g., civil wars and terrorism), their effects on lesser conflicts are negligible. We argue that cultural tension is secondary to government stability in the case of civil disorders. Furthermore, the study’s findings corroborate hypothesis 5, further reinforcing the crucial influence of government effectiveness in mitigating *all* forms of internal conflicts. We find mixed support for hypothesis 6, whereby cultural tension is significant in the OECD panel for the comprehensive internal conflict measure and civil wars/coups d’état, but not political violence/terrorism or civil disorders. Finally, we find support for hypothesis 7 since there are cases where a specific form of ethnic or religious tension is significant in some regions but not others.

The empirical findings pave the way for actionable policy recommendations. First, since evidence supports hypotheses 1-3, policy implications include the importance and urgency of cultural tension-reducing policies. For instance, policymakers must prioritize cultural integration, cross-cultural education, and compromise among cultural groups to address grievances before they erupt. Second, the lack of support for hypothesis 4 suggests that countries undergoing civil disorders may require different prevention strategies than larger-scale conflicts. Third, support for hypothesis 5 indicates that governance is the only consistent conflict-mitigating determinant across all forms of internal conflict. Therefore, countries should prioritize strengthening governmental institutions, enhancing unity within the government, and securing broad support from the populace. Fourth, since evidence rejects hypothesis 6 for the broad measure of internal conflict and the specific forms of civil war/coups d’état, policymakers must be cognizant of the potential for cultural tensions to drive conflict even in institutionally robust OECD countries. Therefore, OECD countries must continue to foster cultural integration, cross-cultural education, and

compromise to preempt and mitigate the potential for internal conflict. This is all the more important given the increases in immigration in many OECD countries, and many of these immigrants come from countries with different cultures (Sarihasan, 2016; Sirkeci & Cohen, 2016). Five, support for hypothesis 7 indicate distinctions based on the type of cultural tension, region, and conflict. Therefore, policymakers need to understand each country's unique characteristics, including its history of cultural tension and conflict. It also demonstrates the importance of country-specific studies that analyze each country's distinctive conflict-inducing factor blend. The authors acknowledge the complexities inherent in executing these recommendations, stemming from deeply-rooted cultural differences, geographical fragmentation of populations, and fiscal limitations.

The study begins with literature on the relationship between cultural tension and internal conflict. Section 3 discusses sources and the econometric model. Section 4 presents the panel data analysis findings. Section 5 discusses insights and reflects on the study's contributions.

Literature Review

Cultural Tension and Internal Conflict

Cultural divisions, highlighted in *The Clash of Civilizations*, can be a source of conflict (Huntington, 1993; 1996; Meetei, 2017). Conflict can arise when there are differences in cultural patterns of rationality and value systems (Huntington, 1993; 1996; Król, 2008; Malešević, 2010). Horowitz's (1985) theory of ethnic conflict claims that political competition among cultural groups drives internal conflict. Specifically, Horowitz argues that ethnic identity transcends individual identity, which increases mobilization toward political goals. Furthermore, as power disparity grows between cultural groups, conflict increases. Social identity theory (Tajfel, 1979) finds that an individual's identification with their ethnic or religious groups fosters in-group favoritism and out-group discrimination, potentially escalating into conflicts. Social identity theory underscores the psychological mechanisms behind group-based divisions. Cederman et al. (2010, p. 88) find that "unresolved" ethnic tension and "struggles over access to state power" lead to conflict. Furthermore, Cederman et al. (2010) and Wucherpfennig et al. (2016) find that conflict is more likely to erupt when representatives of ethnic groups are excluded from power and when excluded groups mobilize.

Ethnic nationalism is another conduit that cultural tension can drive internal conflict (Cederman et al., 2010; Connor, 1994; Meetei, 2017). Researchers claim ethnic/religious groups prefer to be governed by those with similar ethnic/religious characteristics (Brubaker, 1996; Connor, 1994; Kedourie, 1960; Meetei, 2017; Wimmer et al., 2009). Moreover, Cederman et al. (2010) and Subhan (2018) find that conflict is more likely to arise when a dissimilar group governs an ethnic/religious group. The disempowered group may protest and use violence to gain power or attempt to secede. For example, in Iraq, Keegan and Bull (2006) and Nuruzzaman (2017) claim that *perpetual* conflict arises from the struggle for power between the Sunnis and Shi'ites. Beyond Iraq, other examples of internal conflicts driven at least partly by cultural differences include Bosnian War (1992-1995), Rwandan Genocide (1994), Kosovo Conflict (1998-1999), Darfur (2003-), Syrian Civil War (2011-), Myanmar Rohingya Crisis (2017-), Central Africa Republic Conflict (2012-), Nigeria Boko Haram Insurgency (2009-), Yemen Civil War, and Ethiopian Tigray Conflict (2020) (Armitage, 2017; Fragile State Index, 2022; United Nations, 2022; Uppsala Conflict Data Program, 2023).

Juergensmeyer (1993), Laitin (2000), and Letamendia (2017) claim that religious differences drive internal conflict more than ethnic ones. Many countries have chosen a religion or sect to unify, avoid internal conflict, and ward off external enemies (Appleby, 2000; Huntington, 1993, 1996). Furthermore, *The Clash of Civilizations* highlights how religious differences create intra-state and inter-state fault lines (Huntington, 1993, 1996). While Huntington's primary focus is on broader cultural divisions (such as Islam versus the West), the fault lines he identifies also become evident within individual countries and different sects of the same religion. For example, the beliefs of al-Qaida, Islamic State, and ISIS within predominant Islamic countries have led to conflicts in Iraq and Syria (Bormann et al., 2017). Hassner (2009), Montalvo and Reynal-Querol (2019), and Reynal-Querol (2002) claim that religious tension leads to more conflict than ethnic tension because religious groups are less likely to compromise than ethnic groups. For example, individuals in each religious group may believe they have a monopoly on the truth and what is just (e.g., the indivisibility of religious beliefs), which hinders discussion and collaboration among religious groups (Toft, 2007; Zellman & Fox, 2023). Although Fox (2000) and Arbatli et al. (2020) find empirical support for the role of religious diversity in driving conflicts, other researchers claim religious diversity alone is not a sufficient condition for conflict (Montalvo & Reynal-Querol, 2005, 2010, 2019).

However, some researchers claim cultural tension might not always cause internal conflict (Ayers & Saideman, 2000; Fletcher & Iyigun, 2009; Gurr, 1993). For instance, Ayers and Saideman (2000) find that the political exclusion of ethnic groups does not affect secession. Gurr (1993) claims political discrimination against ethno-religious groups is not a significant factor sparking rebellions or civil wars. Fletcher and Iyigun (2009) study ethno-religious fractionalization in Europe, Africa, and the Middle East from 1400 to 1900 CE and challenge Huntington's (1993, 1996) claim that cultural differences are primary drivers of conflict. Fletcher and Iyigun (2009) claim areas with frequent Muslim-Christian conflict are more religiously homogeneous today, while regions with Protestant-Catholic conflicts or Jewish massacres are more fractionalized. Therefore, Fletcher and Iyigun (2009) claim that past cultural conflicts influence demographic structures today. Consequently, it indicates a lasting impact of historical events on modern demographic diversity, and the endogeneity of fractionalization may make its relationship with internal conflict statistically insignificant.

Some researchers claim empirical studies that need help finding the link between cultural tension and conflict have data and design problems. For example, Cederman et al. (2010) argue that using Minorities at Risk (MAR) data is problematic because the data does not account for the ethnic group in power. This limitation narrows the scope of ethnic comparisons and overlooks the potential for changing power dynamics since previously discriminated minorities may ascend to power. A distinguishing factor of this study is that it can check each source of tension as possible independent variables and different combinations of them. Furthermore, we can make distinctions between types of internal conflict.

The strength of the government presents a confounding factor in the relationship between cultural tension and internal conflict (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). For example, the seminal work of Fearon and Laitin (2003) demonstrates that it is not only cultural tension that drives civil wars and insurgencies but also tension alongside weak governments. The combination of tension and weak governance provides an environment ripe for conflict (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). Weak governance provides opportunities to the opposition when cultural "grievances" exist. Fearon and Laitin (2003) measure governments through state capacity that

considers geographic dispersion of authority, fragmentation of political power, institutional capacity, and ability to maintain order and control. This study uses government stability, which measures government cohesion and popular support, to assess if stronger governments moderate the relationship between cultural tension and internal conflict.

We now discuss some recent studies. Bormann et al. (2017) investigate whether ethnic civil wars are more likely to be instigated by ethnic or religious cleavages. The study analyzes ethnic groups from 1946 to 2009 using logistic regression models. The study's methodology involves assessing ethnic differences between potential challengers and the politically dominant group in each country to determine the progression from the initial perception of grievances to the onset of conflict. Contrary to the prevailing view that religious divisions are more conflict-prone, their findings reveal that ethnic differences increase the likelihood of civil wars more so than religious differences. The study finds no evidence to suggest that religious differences, including those involving Muslim identities, lead to an increased likelihood of conflict.

Lieberman and Singh (2017) examine census enumeration on ethnic and racial conflicts. They analyze global census procedures and find a strong correlation between the enumeration of ethnic and racial identities and the escalation of ethnic conflicts. The study suggests that state-led categorization of citizens based on ethnicity or race reinforces existing cleavages and amplifies individual identification with specific groups, thereby intensifying intergroup hostility. Their findings are grounded in social identity theory, which posits that categorization by state authorities leads to more pronounced in-group/out-group divides and a higher likelihood of ethnic tension and conflict.

Niedziela (2018) examines conflicts in Asia, mainly focusing on ethnic and religious heterogeneity as a significant cause of tensions. Niedziela emphasizes that multifaceted diversity in a country does not always lead to conflict, using Malaysia as an example of a country where internal conflicts have been successfully avoided despite significant cultural differences. The study's methodology involves a theoretical and systemic analysis of conflicts within Asian cultural, political, and historical paradigms.

Kataria (2020) employs theoretical analysis, drawing on a wide range of empirical evidence, and finds structural, political, economic, and cultural determinants explain the emergence and escalation of ethno-national conflicts. Kataria (2020) claims that while ethnonational disputes are often triggered by the nationalism of ethnic groups rather than ethnic differences, the actual emergence of these conflicts results from a complex interplay of structural, political, economic, and cultural determinants. Kataria (2020) highlights the need to account for structural, political, and economic factors alongside cultural tension.

Coşgel et al. (2023) examine the effects of historical religious fragmentation and political favoritism on contemporary civil conflicts. The authors use a dataset called the Historical Polities Data, which measures historical religious structures and political histories of territories since the year 1000. The study employs regression analyses and finds societies with a history of religious fragmentation, where rulers shared religion with one of the groups, are more likely to experience new conflicts due to accumulated economic inequality and political grievances over time.

In summary, the literature review highlights that while cultural tension and differences have historically been a source of conflict, as noted by Huntington (1993, 1996) and Horowitz (1985), the relationship is not always straightforward (Niedziela, 2018). This study adds to the existing literature by isolating specific forms of cultural tension and examining their effects across various forms of small- and large-scale conflicts in a Large-N study. By leveraging a comprehensive dataset from the ICRG, the study offers novel insights into the nuanced effects of

cultural tension in different conflict intensities and regions, enriching the theoretical discourse with empirical evidence.

Theoretical Framework

This study is grounded in theoretical frameworks that link cultural tension and internal conflict. First, it draws upon social identity theory (Brown, 2020; Tajfel, 1979), which explains how ethnic and religious identities can become sources of conflict due to in-group favoritism and out-group discrimination. For instance, in a religious context, members of a particular faith may perceive their religion as superior, which leads to prejudices against other religions. Similarly, ethnic groups might develop stereotypes about other ethnicities, viewing them as fundamentally different or even threatening (Tajfel, 1979). Second, ethnic conflict theory (Caselli & Coleman, 2013; Horowitz, 1985; Subhan, 2018) explains how cultural tension can lead to conflict, mainly through political competition among cultural groups. The study also links theory on governance and conflict resolution theories, which claim effective governance can lessen the intensity and occurrence of internal conflicts (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018).

Kataria (2020) emphasizes the importance of including structural, political, and economic determinants alongside cultural factors in conflict studies. Kataria (2020) claims factors such as political regimes, economic stability, and institutional strength play pivotal roles in exacerbating or mitigating conflicts. Therefore, including these factors, often referred to as control variables in statistical analysis, is crucial to ensure that the true relationship between cultural tension and internal conflict is isolated and the contribution of each factor, either augmenting or mitigating, is identified. Theories depend on axiomatic requirements, often referred to as assumptions, and their validity depends on the ability to control all other external factors. This “experimental design” approach is the foundation of natural and physical sciences. However, in social sciences, it is impossible and unethical to do so. For example, one cannot select a random group of children, divide them into two groups, and let one group be educated and the other not. Instead, a “reasonable” variable is selected to represent education, such as years of schooling or possession of a degree. Including an “education” variable in such a study is called a “control” variable.

We control for political regimes, institutional strength, corruption, income inequality, unemployment, trade, and economic factors. These standard controls appear in studies on the culture-conflict nexus literature and have strong theoretical foundations (Bormann et al., 2017; Kataria, 2020). We briefly discuss these control variables below.

The spectrum of possible political regimes ranges from autocracy to alternating democracies. Barkan & Snowden (2001), Ellis & Prins (2010), and Wucherpfennig et al. (2016) claim more democratic regimes reduce conflict through electoral participation and effective conflict resolution mechanisms. A more democratic regime can help prevent cultural tension from erupting into conflict via broad political involvement and more frequent policy compromise than autocratic regimes. However, there are caveats, and research has found cases where democratic traditions, such as civil liberties and freedom of assembly, can lead to more acts of terrorism (San-Akca, 2014). For example, San-Akca (2014) finds democracies can create conditions conducive to terrorism. For instance, terrorists have more opportunities to establish bases, secure funding, and create operational centers within democratic countries because of the protection democracies provide. Research also highlights anocracies can be more susceptible to internal conflicts (Boswell & Dixon, 1990; Fearon & Laitin, 2003; Gates et al., 2006; Hegre et al., 2001). The claim is

anocracies are more vulnerable to conflict since they often have underdeveloped democratic institutions or lack the oppressive capacity of strong autocratic regimes (Fearon & Laitin, 2003). However, the claim that anocracies are more prone to conflict is debated (Collier & Hoeffler, 2004).

The quality and strength of institutions are linked to conflict dynamics, according to Krug et al. (2002), Mider (2014), and Onour (2017). Theory suggests that strong institutions mitigate, while weak ones exacerbate, the effect of cultural tension on internal conflict. Robust institutions may act as buffers, diminishing the potential for cultural tensions to escalate into conflict. In contrast, institutions that lack strength can amplify cultural tensions, serving as catalysts for internal strife. Therefore, the causal relationship between cultural tension and internal conflict has the potential to be mediated by institutional strength and bureaucratic quality. A recent example of this is the Tigray conflict in Ethiopia. Fiseha (2023) claims Ethiopia's weak institutions contribute to the outbreak and continuation of violent conflict in Tigray. The dispute is between the federal government and regional powers over issues of ethnic representation and governance (Fiseha, 2023).

The role of corruption in intensifying conflict is highlighted by Ariely and Uslaner (2017), Ghosh (2011), and Mider (2014), as corruption can undermine trust in government and exacerbate inequalities. For example, in a country with a secular government and a religious majority population, corruption could be considered immoral by the majority and, hence, a source of conflict with the government. Furthermore, corruption in the form of ethnic nepotism can fuel conflict between the ethnic-majority government and ethnic minority groups within the country. This phenomenon underscores the complex ways in which corruption, particularly when intertwined with ethnic nepotism, can exacerbate existing cultural tensions and contribute to the escalation of internal conflicts. Lastly, corruption can impair the perceived legitimacy of a government and institutions. For instance, when government positions or resources are disproportionately allocated toward specific ethnic groups, it fuels perceptions of systemic prejudice and inequity. The perceived injustice can increase internal conflict as the aggrieved ethnic groups may oppose the government.

Alesina and Perotti (1996), Murshed (2008), Parsons (2023), and Pi and Zhang (2017) find that income inequality, especially horizontal income disparity across ethnic or religious groups, can lead to conflict. For instance, if unemployment is mainly among the low-income population, it can cause cultural tension because the low- and high-income groups could feel they are culturally different. An extreme case of this is evident in India's caste system. Although the caste system is supposedly based on the "purity" of the cast in which one is born, in reality, the casts are identifiable by social and economic status, such as unskilled/low-income workers vs skilled craftsmen. This "cultural classification" can easily be identified by the earnings of each group. In the Great Depression of the United States, African Americans had the highest rate of unemployment, and subsequently, their earnings were affected. Even in the 21st Century, in the market-based economy of the United States, not all income groups and minorities are equally affected by unemployment. Unemployment's role in fostering conflict is underscored by Mohammed et al. (2018) and Krueger and Malečková (2003), noting that it can marginalize individuals and provide recruitment opportunities for armed groups.

The relationship between trade and conflict is uncertain, with Zimmerman (1996) and Stiglitz (2002) offering contrasting views on its impact. Zimmerman (1996) suggests that increased trade may lead to reduced conflict by fostering economic interdependence and mutual benefits. Stiglitz (2002) argues that trade can exacerbate inequalities and tensions, potentially leading to

increased conflict. For instance, when trade significantly benefits one ethnic group while hurting others, it can worsen existing cultural and ethnic tensions. Furthermore, trade can affect the dimensions of corruption and income inequality. For instance, trade that benefits one cultural group over others may be viewed as corrupt and unjust by others while also leading to increases in income inequality. Therefore, while trade has the potential to foster economic growth and development, its role in either mitigating or exacerbating conflict is heavily dependent upon how its benefits are distributed. Subsequently, these and similar variables might be significant in some panels but not in others due to the differences between the panels.

Lastly, economic and socioeconomic factors, though not definitive, are potential drivers of conflict (Kirschner, 2018). For instance, periods of contracting economic growth indicate recessionary pressures that may strain governments and heighten cultural tension, thereby fomenting conflict. Economic instability often reduces government services and resources, amplifying cultural grievances and inequities (Kirschner, 2018). Some studies use the natural log of per capita GDP as a control variable (Bormann et al., 2017). The theoretical reasoning for its inclusion is that the observed effects may reflect economic disparity or prosperity without it. We tested the natural log of per capita GDP and found it insignificant (See Section 3.4, Table 4). Furthermore, panels by development status (i.e., OCED membership) isolate economic development differences.

Methods

Research Design

Regression analysis has been the primary methodological analysis for hundreds of years, especially in social sciences (Howarth, 2001). Over time, advances in regression analysis have resulted in specific methodologies, each with its own name. The complexity of the cultural tensions and internal conflicts and the diversity of the data are best addressed by a panel data analysis extension of particular statistical analysis used in sociology and economics methods (Baltagi, 2013). Economic analyses were, and still are, based on the nature of the data. They consist of cross-section analyses, time series analyses, and combined or mixed-data analyses. The latter has been advanced substantially since the 1990s in sociology and, to a lesser extent, in psychology and medical analyses, where panels of subjects, such as ethnic groups, medical patients, etc., are observed and studied over time. Due to advances in such research in sociology and their use of terms such as panels, the accepted terminology for such studies has been accepted to be panel regression analysis or, often, panel data analysis. The research design begins with model and data specification tests, which are crucial in shaping the research design (Baltagi, 2013). The results for the following specification tests are in Appendix A. Specification tests include:

1. Breusch-Pagan Lagrange Multiplier (OLS versus random effects)
2. Hausman test (fixed versus random effects),
3. Joint test (time fixed effects),
4. Wald test (heteroscedasticity),
5. Pesaran test (cross-sectional dependence),
6. Woolridge (autocorrelation),
7. Im-Pesaran-Shin (unit root), and
8. Variance inflation factor (multicollinearity).

Specification tests support two-way fixed effects for country and year. Tests find evidence of heteroskedasticity, autocorrelation, and cross-sectional dependence. The Im-Pesaran-Shin (2003) stationarity test strongly rejects the null hypothesis that all panels contain a unit root. The mean-variance inflation factor is (1.35) with no single variable above (1.87). We use Stata's "npregress" for nonparametric regression to test variable linearity and "link test" to check for model misspecification. The results indicate a linear model is appropriate.

Model 1 improves Kim (2006). Kim's (2006) model analyzes determinants of internal conflict in developing countries through factor analysis. Factor analysis can be problematic due to the lack of identifiability, the number of factors, factor rotation, multicollinearity, and model specification (Podsakoff et al., 2003). Furthermore, Kim (2006) focuses on civil war in only conflict-stricken countries, while this study includes all countries with data and broader measures of internal conflict. Model 1 employs the Driscoll and Kraay (1998) standard errors to correct for heteroskedasticity, autocorrelation, and cross-sectional dependence. Driscoll and Kraay (1998) adjust standard errors by generating a long-run covariance matrix of the errors, accounting for cross-sectional dependence, and extending Newey-West (1987) standard errors to the panel context to correct autocorrelation and heteroskedasticity across panels. Newey-West (1987) estimates the covariance matrix of the regression coefficients and gives less weight to observations that are farther apart in time, effectively correcting for autocorrelation and heteroskedasticity in the error terms. The method calculates robust standard errors that are more reliable in the presence of these issues, thereby enhancing the validity of statistical inferences made from the regression results (Hoechle, 2007).

Furthermore, Driscoll and Kraay's (1998) standard errors are robust to cross-sectional dependence since they utilize nonparametric covariance matrix estimators. These estimators do not rely on a specific parametric model for the error structure, making them suitable for handling data with cross-sectional dependence. The method calculates standard errors by estimating the long-run variance of the errors without assuming a specific form of cross-sectional correlation, thereby yielding reliable inferences in the presence of cross-sectional dependence (Hoechle, 2007).

Model 1 uses two-way fixed effects for time and country, with a three-year lag of the error term, with Driscoll and Kraay (1998) standard errors. Our model implements a three-year lag of the error term to address potential reverse causality and endogeneity issues. By incorporating these lagged error terms, we aim to capture any persistent effects that might influence the current state of the dependent variable, thus helping to disentangle the cause-and-effect relationship and reduce bias from endogeneity. The choice of a three-year lag assumes that past conditions have a lasting impact and helps mitigate the possibility that our current observations are influenced by past unobserved shocks.

$$IntConf_{it} = \alpha + X_{it} + \mu_i + \lambda_t + \varepsilon_{it} \text{ and } (i = 1, \dots, n; t = 1, \dots, T) \quad (1)$$

$IntConf_{it}$ is the measure of internal conflict for country (i) and time (t). X_{it} is the vector set of explanatory variables that vary across time and countries. The parameter α contains a constant and country-specific variable invariant over time. The μ_i captures unobservable individual-specific effects and λ_t captures unobservable time-specific effects. ε_{it} is the error term.

A potential issue is omitted variables. Omitted variables could lead to inconsistent estimators if an unobserved variable influences internal conflict and determinants. The omitted variable bias is minimized when fixed effects estimations account for unobservable factors (Baltagi, 2013). Furthermore, the econometric structure of panel data analysis limits the potential bias of omitted explanatory variables (Wooldridge, 2010). Endogeneity and simultaneity are also common econometric problems (Wooldridge, 2010). Furthermore, the model includes error term

lags, which mitigates endogeneity and simultaneity issues (Bound et al., 1995; Staiger & Stock, 1997; Stock & Yogo, 2005; Wooldridge, 2010). Missing data is flagged and removed from observations. Lastly, although fixed effects may not account for unobserved variation within countries, using control variables helps mitigate the potential issue (See Section 2.2). Furthermore, robustness checks and sensitivity analyses provide additional assurance of the reliability of our findings.

Participants and Settings

Panel data is unbalanced with data from 1990 to 2021. One reason for the unbalanced panel is to increase the size of the sample and make it more comprehensive. All countries with a minimum of 15 years of continuous observations are included in the study, and 136 countries meet the conditions of having 15 years of continuous observations across ICRG and World Bank variables. A couple of limiting factors include the lack of World Bank data for many least-developed countries, and the ICRG only covers 141 countries. See Appendix B for a list of countries represented in each panel. The panels are in the following groups:

1. Full (n=136; 4,017 observations)
2. OECD (n=38; 1,147 observations)
3. Non-OECD (n=98; 2,870 observations)
4. Americas (n=27; 819 observations)
5. Asia (n=35; 1,072 observations)
6. MENA (n=18; 503 observations)
7. Sub-Saharan Africa (n=31; 932 observations)

Panel selection is based on differences in characteristics of the countries among groups (e.g., OECD vs. non-OECD). Separating countries by characteristics, for example, region, allows analysis of differences based on the region (e.g., MENA vs. Americas). Furthermore, subdividing provides insight into the second research question: Does the relationship between cultural tension and internal conflict vary across geographical regions or according to OECD status? We further subdivide Africa into MENA and Sub-Saharan Africa. We do not include a European panel since most European countries are represented in the OECD panel.

Data Collection

See Appendices C, D, and E for variable description, summary statistics, and coefficients of variation of all variables in the study. The dependent variables are from the ICRG. The broader internal conflict measure assesses political violence/domestic terrorism, civil war/coup d'état, and civil disorder. The comprehensive internal conflict measure has data from 1990. A score of (12.0) indicates countries free of internal strife or perceived threats. The lowest rating (0.0) is for countries with ongoing internal conflict crises. All ICRG data are on a continuous interval scale.

Additionally, the research utilizes the three sub-measures of internal conflict as outcome variables, with newly available data spanning from 2001 to 2021. The subcomponents of internal conflict (i.e., political violence/domestic terrorism, civil war/coup d'état, and civil disorder) are also on the (0.0) to (12.0) continuous interval scale. See Table 1 for descriptive statistics of internal conflict measures.

Table 1*Descriptive Statistics of Internal Conflict Measures (Mean, Standard Deviation, and Min-Max)*

	<u>Full Panel</u>	<u>OECD</u>	<u>Non- OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub- Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	4,017	1,147	2,870	819	1,072	503	932
Civil Disorder	8.00 1.70 1.50-12.0	9.22 .527 0.50-4.0	7.53 1.53 1.50-12.0	7.52 1.67 1.5-12.0	8.02 1.57 3.00-12.0	7.99 1.65 3.00-12.0	7.12 1.36 1.75-12.0
Civil War and Coup d'état	10.8 1.90 0.0-12.0	11.7 1.20 1.50-12.0	10.5 2.00 0.0-12.0	11.4 1.44 1.50-12.0	10.6 1.97 0.0-12.0	9.99 2.32 3.00-12.0	9.82 2.21 0.0-12.0
Internal Conflict	8.82 2.31 0.0-12.0	10.26 1.68 3.0-12.0	8.27 2.29 0-12.0	8.71 2.13 0.0-12.0	8.56 2.40 0.0-12.0	7.97 2.39 0.0-12.0	7.65 2.26 0.0-12.0
Political Violence- Terrorism	8.50 2.40 0.0-12.0	9.38 2.34 1.50-12.0	8.16 2.34 0.0-12.0	8.91 2.16 1.50-12.0	7.85 2.46 1.50-12.0	6.77 1.92 0.0-12.0	7.86 2.26 0.0-12.0

Ethnic tension measures the degree to which racial, nationality, or language divisions are the source of strain in a country. The ICRG measure for ethnic tension is on an interval scale of (0.0) high to (12.0) low tension. High tension signifies intolerance among ethnic groups. Less tension exists when little difference exists; if differences exist, tension is low because of willingness to compromise. See Table 2 for descriptive statistics of ethnic tension.

Table 2*Descriptive Statistics of Ethnic Tension (Mean, Standard Deviation, and Min-Max)*

	<u>Full Panel</u>	<u>OECD</u>	<u>Non- OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub- Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	4,017	1,147	2,870	819	1,072	503	932
Ethnic Tension	7.85 2.76 0.0-12.0	9.15 2.40 2.0-12.0	7.37 2.73 0.0-12.0	8.84 2.45 1.00-12.0	7.56 3.12 0.0-12.0	8.04 2.69 0.0-12.0	6.14 2.26 0.0-10.0

Religious tension measures the suppression of religious freedom and exclusion of one or more religions from political and social processes. In cases with more tension, there is more exclusion, suppression, and discrimination, meaning less religious tolerance. The ICRG religious tension measure is on an interval scale of (0.0) high to (12.0) low tension. See Table 3 for descriptive statistics of religious tension.

Table 3

Descriptive Statistics of Religious Tension (Mean, Standard Deviation, and Min-Max)

	<u>Full Panel</u>	<u>OECD</u>	<u>Non- OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub- Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	4,017	1,147	2,870	819	1,072	503	932
Religious Tension	9.10 2.66 0.0-12.0	10.5 1.81 2.0-12.0	8.58 2.73 0.0-12.0	10.6 1.34 8.0-12.0	7.52 2.85 0.0-12.0	6.41 2.35 0.0-11.0	8.27 2.59 0.0-12.0

The study incorporates control variables to adjust for influences that would otherwise confound the results. Furthermore, they help ensure that the observed relationships are not spurious correlations from omitted variable bias (Wooldridge, 2010). See the theoretical framework section for the rationale of each control variable (Section 2.2)

The measure of government stability is from the ICRG. The government stability is on an interval scale of (0.0) most unstable to (12.0) most stable. The subcomponents of government stability include government unity and popular support. The ICRG political regime measure ranges from (0.0) for autarchy to (12.0) for alternating democratic regimes with executive term limits. The ICRG measure for institutional strength and the quality of the bureaucracy is on a scale of (0.0) low strength and quality to (12.0) high strength and quality. The ICRG measure of corruption ranges from (0.0) the highest to (12.0) the lowest. The corruption measures actual or potential corruption from patronage, nepotism, job reservations, favor-for-favors, secret party funding, and ties between politicians and businesses. The measure of income inequality is from the World Income Inequality Database (WIID). The study uses the percentage of pre-tax national income obtained by the bottom 50 percent—the smaller the income distribution to the bottom 50 percent, the higher income inequality. The study uses World Bank data on the unemployment rate, which is the unemployed divided by the labor force. The measure of trade is from the World Bank and is imports plus exports as a percentage of GDP. We use the natural log of per capita gross domestic product (GDP) and its growth rate to account for economic development.

Data and Model Analysis

See Table 4 for base model comparisons in the full panel of 136 countries from 1990 to 2021. We incrementally introduce variables and test their significance and effects on internal conflict.

As a reminder, larger numbers represent better conditions for ICRG variables (internal conflict, ethnic tension, corruption, religious tension, political regime, and institutional strength) and WID's bottom 50 shares of income inequality. The coefficients for ethnic tension and religious tension are consistently significant, indicating their robust impact across different model specifications.

Government stability (i.e., model 2 onwards) is significant, underscoring its importance. Additionally, political regime, income inequality, institutional strength, and the natural log of GDP growth rate are significant across models. All signs of significant variables meet theoretical expectations (e.g., improvements in government stability are associated with less internal conflict).

Notably, the natural log of per capita GDP, corruption, trade, and unemployment are insignificant, with p-values higher than the 0.10 threshold. Furthermore, incorporating these variables into the model does not enhance the F-statistic or the R-squared values. Although trade and unemployment could contribute to conflict, they are not statistically significant. The insignificance does not necessarily refute the theoretical arguments in their favor. The problem is data-based. The trade and unemployment rates vary substantially between and intra-regions, making their respective variances large and subsequently artificially reducing the t statistics of their coefficient. Large variance is verified by the large values of the coefficients of variations for these variables, which are substantiated in Appendix E.

Although data-based issues partially explain the insignificance of trade and unemployment, theoretical explanations exist. First, trade and unemployment may play a lesser role in agitating conflict than cultural and governance indicators. For instance, if unemployment is spread across ethnic and religious groups and not disproportionately on one group, marginal increases in unemployment may not foment conflict. Furthermore, if gains (or losses) from trade are dispersed across cultural groups, it may have a negligible effect on either conflict or tension. Second, trade gains are based on comparative advantages, such as lower labor cost, which is more likely to be associated with minority populations of a country. Therefore, improvements in trade would benefit such groups and reduce the reason for opposing the dominant groups, which leads to a lack of statistical significance of trade. Third, there may be more latency in the measures of unemployment and trade, which leads to insignificance. For instance, rising cultural tension has more of an immediate effect on conflict, while unemployment and trade manifest over longer time horizons. Fourth, trade's effect on internal conflict might be moderated by factors not accounted for in our model, such as the elasticity and volatility of traded goods (e.g., large price variance in commodity products), economic conditions of trade partners (e.g., demand for exports), and other socioeconomic factors (e.g., poverty). Consequently, these theoretical considerations suggest that the relationships between trade, unemployment, and internal conflict are nuanced and potentially masked by more significant socio-economic and temporal dynamics not entirely captured in our analytical framework.

Corruption is also insignificant. While corruption may be a determinant of conflict in some contexts, it is not always directly significant (Farzanegan & Zamani, 2022; Kim, 2006). The insignificance of corruption is likely attributed to a "masking effect" where the direct effects of corruption are obscured by other dominant factors, such as cultural tension and governance, which exacerbate or mitigate the conflict independent of corruption levels. Therefore, while corruption can exacerbate existing tensions, it may not be the primary driver of conflict in every context (Farzanegan & Zamani, 2022). Instead, other factors often play more critical roles in fueling conflicts, and our results support that perspective. Lastly, it could also be the case that in countries where systemic corruption is so entrenched in society it becomes accepted and normalized, thereby making its direct effect on internal conflict less apparent. The study uses model 11 as the preferred model since it includes significant key variables, leads to the largest F-statistic, and has the highest R-squared.

Table 4
Internal Conflict and Ethnic Tension, and Religious Tension – Model Comparisons

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11
Countries	138	138	136	136	136	136	135	131	131	131	136
Obs.	5,035	5,035	4,781	4,781	4,781	4,781	4,743	4,370	4,358	3,726	4,017
F	***	***	***	***	***	***	***	***	***	***	***
R-Squared	.371	.424	.420	.442	.446	.446	.453	.425	.424	.355	.445
Ethnic Tension	.459*** (.043)	.376*** (.037)	.365*** (.039)	.356*** (.037)	.345*** (.035)	.346*** (.035)	.346*** (.036)	.345*** (.036)	.341*** (.036)	.324*** (.043)	.317*** (.035)
Religious Tension	.259*** (.032)	.228*** (.027)	.244*** (.095)	.236*** (.025)	.228*** (.024)	.229*** (.023)	.228*** (.024)	.248*** (.026)	.247*** (.026)	.199*** (.024)	.194*** (.026)
Government Stability		.412*** (.043)	.374*** (.039)	.291 (.025)	.290*** (.023)	.287*** (.050)	.281*** (.024)	.270*** (.036)	.263*** (.023)	.237*** (.024)	.317*** (.035)
Nat Log Per Capita GDP			.222 (.134)	.169 (.139)	.072 (.166)	.077 (.165)	.190 (.163)	.237 (.215)	.196 (.218)	.451** (.200)	
Political Regime				.146*** (.021)	.132*** (.020)	.131*** (.019)	.126*** (.017)	.145*** (.022)	.144*** (.023)	.132*** (.027)	.137*** (.021)
Institutional Strength					.067*** (.018)	.064*** (.019)	.050** (.020)	.054* (.027)	.055* (.027)	.022 (.029)	.061*** (.012)
Corruption						.016 (.031)	.012 (.028)	.027 (.031)	.030 (.031)	.020 (.033)	
Income Inequality							.095*** (.026)	.078*** (.028)	.074*** (.030)	.121*** (.027)	.077*** (.024)
Trade								-.003* .002	-.003* .002	-.002 (.002)	
Nat Log GDP Growth									.013*** .004	.009** (.004)	.056** (.026)
Unemployed										-.011 (.010)	

Note. ***p<0.01, **p<0.05, *p<0.10. The dependent variable is internal conflict-standard errors in parenthesis.

Results

Internal Conflict, Ethnic Tension, and Religious Tension by Panel

Table 5 shows panel regression results when the dependent variable is internal conflict from 1990 to 2021. The analysis of Table 5 reveals that ethnic tension is a consistently significant indicator of internal conflict in every panel. In other words, ethnic tension is a significant factor in internal conflict, regardless of the spatial, socioeconomic, cultural, or other different characteristics in different panels. Religious tension is significant, but its influence varies by region, with a notably strong magnitude in all regions except Asia. Overall, the data suggests that both ethnic and religious tensions are critical factors of the comprehensive ICRG internal conflict measure that encompasses civil war/coup d'état, political violence/terrorism, and civil disorder. Therefore, Table 5 provides support for hypothesis 1. Consequently, we find support for a plurality of the literature suggesting cultural tension causes internal conflict (Brown, 2020; Brubaker, 1996; Connor, 1994; Horowitz, 1985; Huntington, 1993, 1996; Kedourie, 1960; Meetei, 2017; Subhan, 2018; Tajfel, 1979; Wimmer et al., 2009)

The lack of statistical significance for religious tension in Asia is likely because of the ability of these countries to harbor different religions and beliefs without major conflicts for centuries (Ecklund & Park, 2007; Somasundram et al., 2021). The religions of these countries are non-confrontational and non-exclusive. For instance, a non-believer can be killed by Muslims. Here, we wish to refrain from engaging in a religious discussion of precisely what the Fatwa is on this issue but instead make a distinction between different religions regarding other beliefs. It is understood that Muslims are not killing others because they are atheists. Nevertheless, idolatresses can be executed in Saudi Arabia, and practicing different religions is prohibited there. In the case of Saudi Arabia, for instance, there is no religious tension. Hence, no internal conflict is caused by religious tension because no substantial groups of believers of other religions exist. Furthermore, in many Asian countries, other factors such as ethnic tension, income inequality, and political governance might be more dominant factors of internal conflict than religious tension, which can, in theory, mask the effect of religious tension. The Asian panel's significant coefficients for ethnic tension, government stability, income inequality, and political regime support this claim.

Another notable finding is the significance of both cultural tension measures in the OECD panel, which rejects hypothesis 6. Therefore, it is apparent that cultural tensions contribute to internal conflicts even in the context of strong governance. Consequently, regardless of the overall strength of governmental institutions, cultural tension can lead to internal conflict. The finding points to the limitations of governance structures in completely resolving cultural tensions. While governance can mitigate some aspects of conflict, it may not completely eradicate them to the point of insignificance. It indicates that humans are highly influenced by culture and are less tolerant of other cultures in their country.

Furthermore, strong support for hypothesis 5 is underscored by the statistical significance of government stability, confirmed at the 1 percent confidence level (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). Lastly, we support Kataria's (2020) claim on the importance of political and institutional factors since institutional strength and the political regime are statistically significant in most panels.

There are a fairly limited number of variables that are not statistically significant. In a typical study limited to a single panel of countries, an insignificant variable would not attract any attention because they are not customarily left in the final model. The variables that are not

significant in some of the panels are included because they were included in some of the previous studies but not the others, and we wanted to provide a broader picture of their role. The statistical significance of variables depends on the variance of the residuals, the variance of each variable in different panels, and the sample size, which also affect both of those variances. A large variance for a variable for a group of countries in a particular panel would cause the resulting t statistics to be insignificant. For instance, the MENA panel has 18 members, the smallest among all panels. In the analysis of internal conflict, ethnic tension, and religious tension (Table 5), two variables, namely the income inequality and natural logarithm of GDP, are insignificant. Let us examine the first one more carefully. The Gini coefficient for Saudi Arabia is (45.9), while that of the United Arab Emirates is (26.0). This makes the variance of the income inequality measure very large compared to other panels, especially because of the much smaller size of the panel, 18 for MENA and 136 for the full panel. Consequently, the variable's coefficient is more likely to fail to be statistically significant. Another contributing factor is that although two of the variables for MENA are insignificant, its r-squared of (0.618) is the largest of all the panels, meaning fewer variables provide a better explanation of the variation in the dependent variable than any panel. For example, the full panel, where all the variables are significant, has an r-squared of (0.445), the second smallest value. Finally, countries are grouped into different panels to take advantage of the specific characteristics of the member countries. However, some panels, such as the OECD, are based on some agreed principles that are not based on any inherent common characteristic such as culture, religion, type of economy, or political structure.

Table 5
Internal Conflict, Ethnic Tension, and Religious Tension by Panel

	<u>Full Panel</u>	<u>OECD</u>	<u>Non-OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub-Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	4,017	1,147	2,870	819	1,072	503	932
F	***	***	***	***	***	***	***
R-Squared	.445	.413	.467	.603	.505	.618	.492
Ethnic Tension	.295*** (.035)	.217*** (.028)	.281*** (.050)	.459*** (.064)	.269*** (.052)	.256*** (.079)	.324*** (.083)
Religious Tension	.147*** (.026)	.137** (.059)	.158*** (.026)	.279*** (.100)	.015 (.046)	.251*** (.078)	.212*** (.040)
Covariates							
Government Stability	.258*** (.027)	.110*** (.034)	.284*** (.030)	.226*** (.042)	.207*** (.042)	.270*** (.093)	.292*** (.052)
Income Inequality	.066*** (.024)	.121*** (.020)	.035 (.035)	.084* (.049)	.090*** (.027)	.043 (.091)	-.103 (.067)
Institutional Strength	.062*** (.012)	.056 (.063)	.055*** (.017)	.130*** (.040)	-.024 (.041)	.234*** (.075)	.038 (.043)
Nat Log GDP Growth	.055** (.025)	.034 (.053)	.067 (.050)	.171*** (.048)	.076 (.049)	-.063 (.079)	.053 (.061)
Political Regime	.135*** (.022)	.147*** (.034)	.137*** (.023)	.231*** (.040)	.114*** (.026)	.057 (.036)	.088** (.043)

Note. ***p<0.01, **p<0.05, *p<0.10. The dependent variable is internal conflict-standard errors in parenthesis.

Civil War/Coup d'état, Ethnic Tension, and Religious Tension by Panel

Table 6 shows regressions when the dependent variable is civil war/coup d'état from 2001 to 2021. We support hypothesis 2 in all panels except (1) the MENA panel for ethnic tension and (2) the Americas and Asia panels for religious tension. As a result, our findings align with a significant portion of the literature indicating that cultural tension can exacerbate the likelihood of civil wars and coup d'états (Brown, 2020; Brubaker, 1996; Connor, 1994; Horowitz, 1985; Huntington, 1993, 1996; Kedourie, 1960; Meetei, 2017; Subhan, 2018; Tajfel, 1979; Wimmer et al., 2009).

Religious tension is a significant determinant of occurrences and risks of civil war/coup d'état, particularly in Sub-Saharan Africa and MENA. The impact of religious tension in the Americas and Asia is not statistically significant, which indicates a lesser role of religious tension in civil war/coup d'état conflicts. The lack of significance of religious tension in Asia is consistent with the findings in Table 5. Asia is noted for its diverse religions and beliefs, which frequently coexist harmoniously, as evidenced by high tolerance levels (Ecklund & Park, 2007; Somasundram et al., 2021). Additionally, Latin America is mainly Catholic, reducing the potential for religious tension (Conversi, 2010). The religious homogeneity in many Latin American countries means religion is less likely to be a significant source of division. In the MENA group, religious tension is expected to overshadow ethnic tension (Keegan & Bull, 2006; Nuruzzaman, 2017).

We continue to find significance in the OECD panel for religious and ethnic tension measures, which rejects hypothesis 6. Consequently, the finding suggests ethnic and cultural tension increases the risk and occurrence of civil war/coup d'états regardless of the existence of robust OECD governance structures. Moreover, the results suggest that even OECD countries should be vigilant about the potential for cultural tension to escalate into serious conflicts.

Government stability and income inequality are significant in a plurality of panels and align with theoretical expectations. Namely, stronger governments and better income distribution lessen civil war/coup d'état and their risk. Finally, most panels find institutional strength, the natural log of GDP growth rate, and the political regime are insignificant. Theoretical expectations are stronger institutions, more democratic governments, and economic growth reduce conflicts (Barkan & Snowden, 2001; Kirschner, 2018; Krug et al., 2002). Relative to cultural tension, the insignificance of these factors suggests that cultural tension may be a more important indicator. Additionally, institutional strength may work more at moderating cultural tension while not directly causing cultural tension or conflict. Similarly, the GDP growth rate is insignificant, while income inequality is significant. This may reveal that it is not the rate of economic growth that matters but how it is distributed among the population. Finally, political regime is insignificant, while government stability is significant. This indicates that the stability and strength of the government may be more important factors than merely the regime classification.

Table 6
Civil War/Coup d'état, Ethnic Tension, and Religious Tension by Panel

	<u>Full Panel</u>	<u>OECD</u>	<u>Non-OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub-Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	2,423	678	1,745	468	640	308	563
F	***	***	***	***	***	***	***
R-Squared	.187	.253	.212	.220	.278	.554	.301
Ethnic Tension	.154*** (.036)	.055** (.022)	.159*** (.040)	.038** (.014)	.277*** (.066)	.113 (.118)	.265*** (.054)
Religious Tension	.258*** (.055)	.087** (.038)	.294*** (.060)	.119 (.180)	.108 (.077)	.523*** (.070)	.550*** (.131)
Covariates							
Government Stability	.112*** (.020)	.005 (.037)	.165*** (.026)	.069 (.058)	.215*** (.043)	.350*** (.087)	.122*** (.034)
Income Inequality	.053*** (.015)	.054** (.024)	.066*** (.019)	.042 (.038)	.103*** (.031)	.629*** (.118)	.018 (.037)
Institutional Strength	-.044 (.073)	-.072 (.042)	-.016 (.088)	.242 (.220)	.275 (.217)	.546*** (.143)	-.118 (.079)
Nat Log GDP Growth	.011 (.032)	.068 (.050)	-.018 (.044)	.119** (.052)	.112* (.055)	-.004 (.129)	-.056 (.090)
Political Regime	.050* (.028)	.233*** (.038)	.035 (.034)	.139* (.069)	.051 (.081)	.055 (.081)	.012 (.069)

Note. ***p<0.01, **p<0.05, *p<0.10. The dependent variable is civil war/coup d'état -standard errors in parenthesis.

Political Violence/Terrorism, Ethnic Tension, and Religious Tension by Panel

Table 7 shows regressions when the dependent variable is terrorism/political violence from 2001 to 2021. We find support for hypothesis 3 since ethnic and religious tension are significant determinants of political violence/terrorism in all regions except OECD and Sub-Saharan Africa panels. We fail to reject hypothesis 6 since, according to the OECD panel, only government stability and income inequality are significant determinants of political violence/terrorism. We support hypothesis 5 since government stability is significant in all panels except the Americas.

A question that arises is why cultural tension in OECD countries is a significant indicator for civil war/coup d'état but not political violence/terrorism. First, the coefficients for ethnic and religious tensions in OECD panels are smaller than other regional panels and exhibited lower significance levels (i.e., within the 95% confidence interval as opposed to the 99% interval). Consequently, even within the context of civil war/coup d'état scenarios, the impact of these tensions in OECD countries is relatively muted. It has lower statistical significance than their counterparts in non-OECD panels. Second, coup d'état/civil wars often arise from deep-seated ethnic and religious divisions within a country (Brown, 2020; Horowitz, 1985; Huntington, 1993, 1996; Kedourie, 1960; Meetei, 2017; Subhan, 2018; Wimmer et al., 2009). However, political violence/terrorism in OECD countries often stems from external factors or global ideological movements rather than domestic ethnic or religious divisions (Břeň et al., 2019; Piazza, 2008). Third, strong state institutions and the rule of law prevent internal conflicts, such as political

violence/terrorism (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). Fourth, since OECD countries have higher living standards, the opportunity cost of participating in a conflict is higher, which reduces its possibility, except in extreme cases, which is not the case in OECD countries.

Another question is why cultural tension in the Sub-Saharan Africa panel is a significant indicator for civil war/coup d'état but not political violence/terrorism. It is likely while ethnic and religious tensions are significant drivers of civil wars in Sub-Saharan Africa, due to the deeply ingrained historical and socio-political factors, terrorism and political violence in the region are often influenced by local, regional, and global factors that extend beyond these cultural tensions (Botha & Abdile, 2019). For example, Botha and Abdile (2019) claim global jihadist ideologies intersect with local dynamics to drive terrorism in Sub-Saharan Africa. Furthermore, determinants of terrorism and political violence vary greatly across countries within Sub-Saharan Africa and are influenced by distinct historical, political, and social contexts (Raleigh, 2010). Regional and country heterogeneity suggests diverse causative factors beyond ethnic and religious tensions.

Government stability, income inequality, and the political regime are significant in a plurality of panels. Stronger governments, better income distribution, and more democratic governance lessen political violence/terrorism and their risk. The findings for political regimes do not support San-Akca's (2014) claim democracies can increase terrorism. Lastly, similar to Table 6 for civil war/coup d'état, institutional strength and the natural log of GDP growth rate are insignificant. This may indicate mechanisms through which political violence/terrorism occurs are less directly connected to economic performance and institutional robustness than cultural tension, governance, and inequality.

Table 7

Political Violence/Terrorism, Ethnic Tension, and Religious Tension by Panel

	<u>Full Panel</u>	<u>OECD</u>	<u>Non-OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub-Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	2,423	678	1,745	468	640	308	563
F	***	***	***	***	***	***	***
R-Squared	.214	.302	.241	.225	.401	.564	.284
Ethnic Tension	.133*** (.034)	.025 (.124)	.143*** (.038)	.373** (.137)	.121*** (.040)	.186** (.118)	-.014 (.149)
Religious Tension	.237*** (.034)	.137 (.088)	.252*** (.025)	.256** (.117)	.237*** (.028)	.439*** (.099)	.245 (.148)
Covariates							
Government Stability	.164*** (.027)	.346*** (.057)	.173*** (.027)	.001 (.055)	.138** (.051)	.297** (.109)	.153*** (.060)
Income Inequality	.075*** (.014)	.159*** (.035)	.019 (.028)	.313*** (.066)	.090** (.040)	.104 (.074)	-.129 (.094)
Institutional Strength	-.077 (.082)	-.212 (.110)	-.093 (.102)	.324 (.234)	.217 (.231)	.466** (.203)	-.330** (.126)
Nat Log GDP Growth	-.035 (.031)	.018 (.064)	-.044 (.025)	.037 (.083)	.014 (.066)	-.058 (.076)	-.134 (.102)
Political Regime	.127*** (.015)	.050 (.053)	.135*** (.015)	.185** (.069)	.119** (.046)	.015 (.073)	.137 (.065)

Note. ***p<0.01, **p<0.05, *p<0.10. The dependent variable is terrorism/political violence - standard errors in parenthesis.

Civil Disorder, Ethnic Tension, and Religious Tension by Panel

Table 8, which examines the regressions for civil disorder from 2001 to 2021, shows that ethnic and religious tensions are not significant determinants of civil disorder except in the Americas panel. Therefore, we reject hypothesis 4 in all cases except the Americas. The findings contrast with their role in more severe conflicts like civil wars, coup d'état, and political violence/terrorism, where cultural tension is significant. This difference suggests that while deep-seated ethnic and religious divisions within countries often fuel larger-scale conflicts, they do not necessarily translate to more minor internal disturbances like civil disorders.

In the context of civil disorder, government stability emerges as the only *consistently* significant indicator across all panels. The covariates of income inequality, institutional strength, natural log of GDP, and political regime are insignificant. It highlights the crucial role of effective governance and political stability in maintaining civil order (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). This finding implies that factors related to government effectiveness, rather than ethnic or religious divisions or structural, political, and economic factors, might be the primary drivers of civil disorder. These findings suggest that while ethnic and religious tensions are critical in understanding severe conflicts, their role in civil disorder is more limited, overshadowed by factors related to governance. Finally, the finding suggests that social identity and ethnic conflict theories are less relevant in civil disorder cases.

Table 8
Civil Disorder, Ethnic Tension, and Religious Tension by Panel

	<u>Full Panel</u>	<u>OECD</u>	<u>Non-OECD</u>	<u>Americas</u>	<u>Asia</u>	<u>MENA</u>	<u>Sub-Saharan Africa</u>
Countries	136	38	98	27	35	18	31
Obs.	2,423	678	1,745	468	640	308	563
F	***	***	***	***	***	***	***
R-Squared	.226	.361	.297	.397	.357	.567	.337
Ethnic Tension	.035 (.041)	.053 (.052)	.038 (.041)	.421*** (.103)	.039 (.087)	-.124* (.070)	.024 (.081)
Religious Tension	.022 (.019)	.052 (.061)	.013 (.023)	.328** (.127)	.065 (.065)	.051 (.102)	.068 (.087)
Covariates							
Government Stability	.331*** (.062)	.215*** (.041)	.381*** (.073)	.253*** (.036)	.367*** (.033)	.613*** (.100)	.342*** (.097)
Income Inequality	.020 (.024)	-.023 (.037)	.023 (.035)	.397*** (.075)	.007 (.044)	-.293** (.118)	-.137* (.067)
Institutional Strength	.060 (.114)	.030 (.102)	.006 (.145)	.302*** (.100)	.144 (.190)	.425** (.200)	-.083 (.168)
Nat Log GDP Growth	-.009 (.030)	.065 (.055)	-.016 (.028)	.039 (.105)	.088 (.063)	-.029 (.080)	-.022 (.054)
Political Regime	.024 (.028)	-.035 (.036)	.028 (.034)	.031 (.069)	.087 (.051)	-.035 (.093)	.014 (.042)

Note. ***p<0.01, **p<0.05, *p<0.10. The dependent variable is civil disorder -standard errors in parenthesis.

High Cultural Tension, Low Government Stability, and Interactions

Tables 5-8 consistently demonstrate that government stability is a significant factor in various forms of internal conflict. The study now tests the claim that combining cultural tensions and weak government institutions fosters conditions conducive to internal conflict (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). We create dummy variables for high ethnic tension, high religious tension, and weak governments. High tension and weak governments are defined as scores between (0.0) and (7.0) on a (0.0) to (12.0) scale. We then group panels based on high or low tension to analyze the interaction with the weak government dummy. See Table 9 for the results of ethnic tension.

We find that a decrease in ethnic tension lowers internal conflict in both the high and low ethnic tension panels. Furthermore, as Fearon and Laitin (2003) predicted, a weak government and high ethnic tension significantly increase internal conflict. A weak government also significantly increases internal conflict when ethnic tension is low, highlighting the importance of stronger governments regardless of the level of ethnic tension. Lastly, the interaction between weak government and ethnic tension is significant and positive in the high-tension panel. The result indicates that when high ethnic tension exists, the combination of weak government and decreasing ethnic tension leads to a greater decrease in internal conflict than if these factors were independent. The findings signify that decreases in ethnic tensions can partially offset the adverse effects of a weak government on internal conflict. In scenarios where ethnic tensions are reduced, the exacerbating influence of governmental instability on internal conflict appears to be less severe. Finally, the interaction coefficient is smaller and significant only at the 90 percent confidence level in the low-tension panel. The lower magnitude and reduced significance indicate that while the interaction between weak government and ethnic tension still influences internal conflict in environments with lower ethnic tension, its effect is less pronounced.

Table 9
High Ethnic Tension, Low Government Stability, and Interactions

	<u>High Ethnic Tension</u>	<u>Low Ethnic Tension</u>
Countries	89	113
Obs.	1,520	2,495
F	***	***
R-Squared	.363	.290
Ethnic Tension	.437*** (.072)	.337*** (.047)
Weak Government Dummy	-1.78*** (.464)	-1.17*** (.401)
Weak Government X Ethnic Tension	.217*** (.064)	.075* (.041)
Covariates		
Religious Tension	.095** (.041)	.325*** (.052)
Income Inequality	.050 (.045)	.084*** (.019)
Institutional Strength	.052* (.031)	.186*** (.034)
Nat Log GDP Growth	.098** (.041)	.083** (.040)
Political Regime	.185*** (.044)	.081*** (.023)

Note. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. The dependent variable is internal conflict -standard errors in parenthesis.

See Table 10 for the results of religious tension. Results reveal similar outcomes, with some differences related to ethnic tension in Table 9. First, reducing religious tension lowers internal conflict in high and low-religious-tension panels. Second, a weak government increases internal conflict regardless of high or low religious tension. Third, the effect of a weak government is more prominent in the low religious tension panel compared to the high-tension panel (i.e., 0.866 versus 2.94). Therefore, stronger governments have a larger stabilizing effect when religious tension is moderate. Fourth, the interaction insights are different. Namely, the interaction between weak government and religious tension is insignificant in the high religious tension panel. Therefore, when high religious tensions exist, the effects of government strength on internal conflict are not as strong.

Conversely, the interaction with the government is positive and significant in the low religious tension panel. Therefore, in scenarios with moderate religious tension, a weak government exacerbates the effect of any existing religious tension on internal conflict. In sum, weak governments consistently contribute to higher internal conflict, but their influence in conjunction with religious tension varies, being more pronounced where religious tension is moderate. When combined with weak governance, even moderate religious tension creates an environment that may be conducive to internal conflict and, therefore, makes the government's role critical.

Table 10
High Religious Tension, Low Government Stability, and Interactions

	<u>High Ethnic Tension</u>	<u>Low Ethnic Tension</u>
Countries	48	127
Obs.	822	3,195
F	***	***
R-Squared	.385	.352
Religious Tension	.471*** (.072)	.213*** (.053)
Weak Government Dummy	-.866** (.432)	-2.94*** (.694)
Weak Government X Religious Tension	.016 (.082)	.236*** (.059)
Covariates		
Ethnic Tension	.364*** (.053)	.392*** (.058)
Income Inequality	.011 (.076)	.080*** (.014)
Institutional Strength	.054*** (.017)	.122*** (.013)
Nat Log GDP Growth	.019 (.084)	.108*** (.033)
Political Regime	.113*** (.031)	.156*** (.027)

Note. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. The dependent variable is internal conflict -standard errors in parenthesis.

Discussion and Conclusion

This study is unique in its contributions and approach; we note some distinct elements. First, this study analyzes the extent to which cultural tension explains various forms of internal conflict in 136 countries from 1990 to 2021. Therefore, it is very comprehensive since 70 percent of countries are represented. Second, most studies use count data from internal conflict databases to measure conflict events, while this research incorporates both events and perceived risks. Similarly, we incorporate risks into cultural tension measures rather than rely on MAR data (Cederman et al., 2010). Therefore, our analysis and findings are unique since they go beyond static analysis and provide a dynamic perspective. It allows for a more comprehensive understanding of how cultural tensions can lead to conflict, considering not only events themselves but the perceived risks of cultural tension and conflicts. Third, the breadth of the study is extensive. The study explores cultural tension's role in various forms of internal conflict, from small-scale to large. This allows for a panoramic perspective of the extent to which various cultural tensions cause specific types of internal conflict. Ultimately, cultural tension causes internal conflict, but with some nuance based on region and OECD status. Furthermore, cultural tension best explains instances and risks of civil war/coup d'état and political violence/terrorism.

The study's initial objectives were centered around three research questions. Firstly, we examined whether cultural tension (and different forms of cultural tension) contributes to various types of internal conflicts uniformly or unevenly. The study finds distinctions in the effects of cultural tension on different conflict types. Secondly, the study sought distinctions based on

regional and OECD status. We find that cultural tension and internal conflict do vary across different geographical regions. Finally, the study investigates governance's role in mitigating the causal effectiveness of cultural tension. Our findings suggest that effective governance is significant across all forms of internal conflict and nearly all panels. However, its ability to fully mitigate cultural tension is limited, particularly in the face of deeply rooted ethnic and religious divides.

A list of detailed and specific findings is enumerated below. It is important to realize that the findings of this study are not just "another evidence on a particular hypothesis." Because the paper utilizes such a vast amount of data, both on longitude and panel sense, and incorporates a slew of statistical tests (e.g., Pesaran & Shin, 2003; Wooldridge, 2010) and incorporates the necessary remedial tools (e.g., corrections to the presence of heteroscedasticity), it provides robust evidence, in support or rebuttal of each hypothesis.

We support hypotheses 1-3, which suggest ethnic and religious tension are significant determinants of (1) the broad measure of internal conflict, (2) civil war/coup d'état, and (3) political violence/terrorism. The findings support the literature claiming that cultural tension can drive these forms of internal conflict (Brown, 2020; Brubaker, 1996; Connor, 1994; Horowitz, 1985; Huntington, 1993, 1996; Kedourie, 1960; Meetei, 2017; Subhan, 2018; Tajfel, 1979; Wimmer et al., 2009). Additionally, the findings challenge the assertions of researchers who argue that cultural tension may be insignificant (Ayers & Saideman, 2000; Fletcher & Iyigun, 2009; Gurr, 1993). They matter across multiple model specifications and a plurality of regional panels. The significance of cultural tension measures across models and regions underscores the persistent role of cultural divides in internal conflicts, and such tensions are not isolated phenomena but are common factors influencing various forms of internal conflict across diverse geographical and political frameworks.

Cultural tension measures are significant determinants of (1) the broad measure of internal conflict and (2) civil war/coup d'état regardless of OECD status or government strength (i.e., rejecting hypothesis 6 for these types of conflicts). Hence, cultural tensions contribute to internal conflicts, even under robust governance systems. It indicates that despite the strength of government institutions, cultural tensions remain a potential catalyst of conflict. The results add further support for the research claiming cultural tension can lead to internal conflict, especially civil war/coup d'état (Brown, 2020; Brubaker, 1996; Connor, 1994; Horowitz, 1985; Huntington, 1993, 1996; Kedourie, 1960; Meetei, 2017; Subhan, 2018; Tajfel, 1979; Wimmer et al., 2009). Furthermore, the findings highlight the inherent limitations of governance structures in fully addressing cultural tensions; while governance may alleviate certain conflict elements, it may not entirely nullify them. Therefore, we find support for the literature suggesting governance is an important determinant of internal conflict (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018), but adding strong governance does not eliminate cultural tension as a concern.

Cultural tension plays a lesser role in smaller-scale internal conflicts like civil disorders, which rejects hypothesis 4. Therefore, it suggests that while these tensions fuel larger-scale conflicts, such as civil war/coup d'état and political violence/terrorism, they do not necessarily lead to lesser internal disturbances. Government effectiveness and stability are the only consistently significant factors across all models and panels within the specific internal conflict form of civil disorder. It underscores the importance of effective governance and government stability as mitigating factors regardless of a country's characteristics (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). While ethnic and religious tensions

are important in the context of major conflicts, their influence seems secondary in cases of civil disorder. The finding implies that theories centered on social identity and ethnic conflicts may have limited applicability in situations involving civil disorders.

Even moderate cultural tensions can significantly increase internal conflict when coupled with weak governance. The results further reinforce the importance of governance in moderating conflict when even intermediate levels of cultural tension exist. Therefore, results support the literature on the importance of governance in managing and mitigating internal conflict (Fearon & Laitin, 2003; Kumar & Chowdhury, 2020; Lake, 2022; Pinto & Zhu, 2018). Consequently, the findings emphasize the need for strong, stable governmental institutions as a fundamental countermeasure to prevent conflict escalation, even when cultural tension may be perceived as moderate.

The study finds outlier cases that suggest some distinctions based on regional and OECD status. Therefore, we do find support for hypothesis 7, which states that the effects of cultural tension are not uniform but can vary based on region and OECD membership. One example is Asia, where religious tension is not a significant factor in broad internal conflict or the specific form of civil war/coup d'état. A second example is the lack of significance of cultural tension when the dependent variable is political violence/terrorism in the OECD and Sub-Saharan panels. Although research provides explanations for these outcomes, for example, Botha and Abdile (2019) claim that local factors drive terrorism/political violence in Sub-Saharan Africa more than cultural ones, and they suggest caution in generalizing results to every individual country.

When dealing with complicated issues that affect different countries uniquely, especially in light of other influential factors, it is necessary to avoid focusing on a single country and extrapolate to the group. For instance, when focusing on a single country in assessing the role of cultural tension in internal conflict, specific eccentric cultural and historical characteristics could be the reason for causing or not causing internal conflict. The same is true about other intervening factors, such as the strength or type of government, the presence of different tensions, and their role in exacerbating or mitigating the effect of cultural tension on internal conflict. Using a panel of countries over an extended period avoids such confounding possibilities and also assures the universality of the finding. However, panel studies that do not include all the existing countries are susceptible to selection bias in social sciences because conducting a randomized data collection is impossible. On the other hand, using all countries would increase the variance of every variable, which could result in an inability to detect causal effects when one exists. This study uses several different panels of countries grouped according to geography (e.g., Americas vs. Asia), specific characteristics unique to the group (e.g., MENA), or accepted by sociopolitical norms of the world (e.g., OECD). to avoid these possibilities.

Comparative analysis between regions and OECD status reveals cultural, political, and economic dynamics that may influence the relationship between cultural tension and internal conflict. We start with a regional comparative analysis. First, income inequality is significant in the Asia panel but not in the Americas, MENA, or Africa panel. Many Asian countries have collectivist cultures prioritizing equality, group harmony, and social cohesion. On the other hand, individualist philosophy can lead to more income inequality and cultural acceptance of inequality. Therefore, when income inequality rises in Asia, it can foment internal conflict and inflame ethnic tension more so than in other regions, and our results corroborate this point. This is likely especially the case when there is a greater horizontal income inequality among ethnic groups in Asia. Second, institutional strength and the quality of the bureaucracy are significant in the Americas and MENA panels but not the Asia and Sub-Saharan Africa panels. The distinctions

underscore the unique regional dynamics that affect the cultural tension-conflict relationship. Furthermore, in Sub-Saharan Africa, where institutional quality and the capacity of the bureaucracy are weak, their ability to manage and mitigate cultural tensions and conflict is negligible, thereby leading to insignificance in the presence of the more important factors (e.g., governance). Third, the political regime is significant in all regions, but in MENA, we find more democratic regimes mitigate tension and internal conflict. The MENA political regime's insignificance may be attributed to well-established authoritarianism and its unique socio-political dynamics, where external interventions (e.g., the United States in Iraq) and socio-cultural divisions (e.g., Sunni and Shi'a) overshadow the tension and conflict-reducing effects of democratization. For instance, the involvement of the United States in Iraq, including promoting a more democratic government, did little to reduce tension and conflict (Alshamary, 2023). Finally, we also find distinctions in comparative analysis based on OECD membership. Although the political regime is consistently significant regardless of OECD membership, we find differences in income inequality and institutional strength. Namely, income inequality is significant in the OECD panel while insignificant in the non-OECD panel. Also, institutional strength is significant in the non-OECD panel and insignificant in the OECD panel. Therefore, rising income inequality in more economically advanced countries plays a critical role, alongside cultural tension, in shaping socio-political dynamics. On the other hand, the strength of institutions is a significant factor in non-OECD countries, emphasizing the vital role of institutions in moderating tension and conflict in developing countries. While the significance of institutions weakens in OECD countries, the high baseline level of institutional effectiveness and the lack of variability likely reduce its temporal effect. Therefore, for OECD countries, years of high levels of institutional quality have already contributed to lowering tension and conflict. Overall, these distinctions and uniqueness based on region and OECD status highlight the need for policy strategies tailored to the underlying cultural, political, and socioeconomic dynamics in specific regions.

Assessment of policy implications is complex since ethnic and religious tensions are long-lasting and often an integral part of a country's characteristics. Resources of all countries are limited, although a substantial difference exists among the countries (e.g., OECD versus non-OECD). Consequently, each government should allocate its resources wisely and focus on areas with the greatest impact. Therefore, wherever cultural tension exists, the government must work to reduce it. Furthermore, reducing cultural tension should be a priority since they can spiral into severe conflicts. Even in cases where there are strong governance and institutional systems, such as OECD countries, we find cultural tension is a significant determinant of various forms of internal conflict. Therefore, managing these cultural tensions is important regardless of the characteristics of a country. We provide the following recommendations for policymakers to consider. First, promoting inclusiveness that assimilates ethnic and religious groups into the political system and governance. For instance, New Zealand's strategy of promoting Māori inclusion entails an advisory board from diverse ethnic backgrounds and the implementation of quotas for minority representation in government (Bargh, 2013). Second, education on cultural diversity, the necessity for tolerance, and the effects of prejudice may provide a way of lowering tension. For example, New Zealand promotes tolerance and cultural awareness at the societal level through policies promoting ethnic and cultural inclusiveness during primary and secondary education (Middleton, 1992). Although lowering cultural intensity does not eliminate it as a determinant, it can lessen the likelihood it erupts into open conflict. Third, when cultural enclaves exist, political and administration decentralization of power, allowing some autonomy over regional affairs, could lower tension. For instance, the Autonomous Region in Muslim Mindanao

(ARMM) in the Philippines markedly differs from the predominantly Catholic majority in the rest of the country. To lower cultural tension and conflict, the Philippine government created a regional government with its own educational system and institutions (i.e., the Comprehensive Agreement on Bangsamoro) (Chan, 2014). The creation of this region has helped reduce cultural tension and conflict (Chan, 2014). Fourth, proactively monitor and evaluate cultural tension and the effectiveness of policies aimed at reducing cultural tension. Countries can actively measure cultural tension through surveys, social media, and interviews. Additionally, policymakers can use these assessment tools to evaluate the effectiveness of educational efforts (e.g., inclusion and tolerance). Therefore, governments can preempt rising cultural tensions and continually refine their strategies to help foster a more harmonious society. For instance, the European Union Agency for Fundamental Rights (FRA) uses surveys measuring views towards diversity, religion, ethnicity, discrimination, and social cohesion in each member country. The surveys collect information through questionnaires and interviews to assess cultural tension and areas of concern. These findings shape European Union policies promoting inclusivity and a more inclusive society. Lastly, since effective governance emerges as a consistent factor in conflict mitigation across all internal conflict scenarios, strengthening governmental institutions and securing widespread public support is paramount. Corruption is a well-known barrier to improving governance and institution quality (Mider, 2014). India's "I Paid a Bribe" campaign provides a practical guide to lower corruption and thwart its negative effect on governance and institutions (Ang, 2014). The "I Paid a Bribe" campaign enables individuals to report corruption, including government departments and bureaucrats involved, anonymously. It acts as a deterrent and identifies problem areas in which to focus anti-corruption efforts. Technology allows the crowdsourcing of corruption, increasing transparency and empowering individuals to detail their experiences without fear.

Cultural tensions often arise from arbitrarily dividing ethnic populations into sections of countries. For example, Kurdish people and their geographical location were divided among the four countries of Turkiye, Syria, Iraq, and Iran. Each segment has become smaller and weaker and cannot become an equal partner of any of the above countries (Dahlman, 2002). Furthermore, the separation has resulted in gradual differences among the Kurds and sometimes in localized cultural tensions. Therefore, governments should consider the long-term effects of separation/isolation policies as they may worsen cultural tension. Future research should explore the isolation/separation of cultural groups in more detail. For example, are there cases where isolation/separation lessens cultural tension?

The authors acknowledge a limitation of the study. First, while including recently released data enhances the detail in which we can analyze cultural tension on different types of internal conflict, the data is not always specific to one kind of internal conflict. For example, political violence and terrorism are aggregated into one ICRG measure. Consequently, it is advisable to exercise some caution in generalizing the study's findings as it relates to one form of internal conflict versus the other. Second, we rely heavily on ICRG data. ICRG data uses subject matter experts to assess "risk" elements of its measures. Assessing risk inherently introduces some qualitative aspects into the study and, ultimately, the conclusions. Third, although 70 percent of countries are represented, lower-income developing countries are underrepresented because of data limitations. In addition, although many European countries are captured in the OECD panel, not all European countries are in the OECD (e.g., Albania). Therefore, there may be additional nuances, and the reader should take some caution when generalizing results. In this study, we do not cover every geopolitical context. Furthermore, it is important to understand that individual

countries in a panel may have different outcomes than the group. Policymakers should utilize cross-national studies alongside analysis of the country of interest. Future research should explore the role of ethnic and religious tension in cases when an ethnic or religious minority has governmental power.

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Appendix A – Model Specification Testing

Hausman (1978) specification test

	Coef.
Chi-square test value	48.76
P-value	0

Joint Test – test perm

$F(28, 2976) = 12.42$

Prob > F = 0.0000

Cross sectional independence

Pesaran's test of cross sectional independence = 12.75, Pr = 0.0000

Average absolute value of the off-diagonal elements = 0.592

Modified Wald test for groupwise heteroskedasticity in fixed effect regression model

$\chi^2(134) = 5.8e+05$

Prob > $\chi^2 = 0.0000$

Wooldridge test for autocorrelation in panel data

H0: no first-order autocorrelation

$F(1, 134) = 1581$

Prob > F = 0.0000

Fisher-type unit-root test

Based on augmented Dickey–Fuller tests

Inverse chi-squared(278) P 319.0682 0.0174

Modified inv. chi-squared Pm 2.582 0.0136

Variance Inflation Factor

Variable	VIF	1/VIF
Institutional Strength	1.870	0.533
Political Regime	1.560	0.642
Income Inequality	1.350	0.739
Political Regime	1.730	0.579
Ethnic Tension	1.160	0.861
Religious Tension	1.140	0.879
Government Stability	1.060	0.947
GDP growth Rate	1.050	0.949
Mean VIF	1.350	

Appendix B – Panel List – By Country

Full panel: Albania, Algeria, Angola, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Bahamas, Bangladesh, Belgium, Belarus, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, China, Colombia, Congo Democratic Republic, Congo Republic, Costa Rica, Cote d’Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Gabon, Gambia, Germany, Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Latvia, Lebanon, Liberia, Libya, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Senegal, Serbia, Sierra Leone, Singapore, Slovakia, Slovenia, Somalia, South Africa, South Korea, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syria, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe. **OECD:** Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States. **Non-OECD:** Albania, Algeria, Angola, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Belarus, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Cameroon, China, Colombia, Congo Democratic Republic, Congo Republic, Cote d’Ivoire, Croatia, Cuba, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Gambia, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Liberia, Libya, Madagascar, Malawi, Malaysia, Mali, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nicaragua, Niger, Nigeria, Pakistan, Panama, Papua New Guinea, Oman, Paraguay, Peru, Philippines, Qatar, Romania, Russia, Senegal, Saudi Arabia, Serbia, Sierra Leone, Singapore, Somalia, South Africa, Sri Lanka, Sudan, Syria, Tanzania, Trinidad and Tobago, Thailand, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Uruguay, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe. **Americas:** Argentina, Bahamas, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, USA, Venezuela. **Asia:** Azerbaijan, Bahrain, Bangladesh, Brunei Darussalam, China, Cyprus, Hong Kong, Indonesia, India, Iran, Iraq, Israel, Jordan, Lebanon, Japan, Kazakhstan, Kuwait, Malaysia, Mongolia, Myanmar, Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Thailand, Turkey, United Arab Emirates, Vietnam. **MENA:** Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Yemen. **Sub-Saharan Africa:** Botswana, Burkina Faso, Cameroon, Congo Democratic Republic, Congo Republic, Cote d’Ivoire, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, Somalia, South Africa, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

Appendix C – Variable Sources and Descriptions

<u>Variable</u>	<u>Indicator/Description</u>	<u>Source</u>
Civil Disorder	Civil disorder ranges from (0.0) most civil disorders and risks to (12.0) least civil disorders and risks.	ICRG
Civil War and Coup d'état	Civil war and coup d'état ranges from (0.0) for ongoing crisis to (12.0) for no crisis or perceived risk of crisis.	ICRG
Corruption	Corruption ranges from (0.0) most corruption to (12.0) least corruption. It assesses corruption within the political system including: excessive patronage, nepotism, job reservations, 'favor-for favors', secret party funding, and suspiciously close ties between politics and business.	ICRG
Ethnic Tension	Ethnic tension is on an interval scale of (0.0) high tension to (12.0) low tension and is based on levels of racial, nationality, or language divisions.	ICRG
Natural Log of GDP Growth Rate	Self-computed natural log of annual growth rate of GDP.	World Bank
Internal Conflict	Internal conflict is on an interval scale of (0.0) high conflict to (12.0) low conflict and is based on the subcomponent measures of civil war/coup threat, terrorism/political violence, and civil disorder.	ICRG
Income Inequality	The percentage of pre-tax income obtained by the bottom 50 percent.	World Income Inequality Database (WIID)
Natural Log of Per Capita GDP	The natural log of per capita gross domestic product (GDP).	World Bank
Political Violence and Terrorism		ICRG
Political Regime	The political regime index is on an interval scale of (0.0) for autarchy to (12.0) for alternating democracies.	ICRG
Quality of Institutions and Bureaucracy	Data is on an interval scale of (0.0) low strength and quality to (12.0) high strength and quality. High scores are given to countries where the bureaucracy has the strength and expertise to govern without drastic changes in policy or interruptions in government services.	ICRG
Religious Tension	Religious tension is on an interval scale of (0) high tension to (12.0) low tension. The exclusion of religion(s) from the political and/or social process; the desire of a single religious group to dominate governance; the suppression of religious freedom; the desire of a religious group to express its own identity, separate from the country as a whole.	ICRG
Trade/Globalization	Imports plus Exports as a percentage of GDP.	World Bank
Unemployment	Data on unemployment is the number of unemployed divided by the labor force.	World Bank

Appendix D – Descriptive Statistics (Mean, Std. Dev., Min-Max)

	Full Panel	OECD	Non-OECD	Americas	Asia	MENA	Sub-Saharan Africa
Max Countries in Panel	136	38	98	27	35	18	31
Max Observations	4,017	1,147	2,870	819	1,072	503	932
Civil Disorder	8.00 1.70 1.50-12.0	9.22 .527 .50-4.0	7.53 1.53 1.50-12.0	7.52 1.67 1.5-12.0	8.02 1.57 3.00-12.0	7.99 1.65 3.00-12.0	7.12 1.36 1.75-12.0
Civil War and Coup d'état	10.8 1.90 0.0-12.0	11.7 1.20 1.50-12.0	10.5 2.00 0.0-12.0	11.4 1.44 1.50-12.0	10.6 1.97 0.0-12.0	9.99 2.32 3.00-12.0	9.82 2.21 0.0-12.0
Corruption	5.82 2.66 0.0-12.0	8.46 2.44 3.0-12.0	4.84 1.97 0.0-12.0	5.41 2.28 0.0-12.0	5.35 2.18 0.0-12.0	5.05 1.76 2.00-10.0	4.52 2.00 0.0-12.0
Ethnic Tension	7.85 2.76 0.0-12.0	9.15 2.40 2.0-12.0	7.37 2.73 0.0-12.0	8.84 2.45 1.00-12.0	7.56 3.12 0.0-12.0	8.04 2.69 0.0-12.0	6.14 2.26 0.0-10.0
GDP Growth Rate	3.32 5.52 -64.0-86.8	2.80 3.30 -14.8-25.2	3.50 6.07 -64.0-86.8	2.83 4.42 -23.8-43.4	4.38 6.73 -64.0-57.8	3.68 9.18 -64.0-86.2	3.58 4.97 -30.1-26.4
Government Stability	7.50 1.97 .667-12.0	7.70 1.55 2.0-12.0	7.41 2.10 .667-12.0	7.09 1.85 1.08-11.0	7.79 2.10 1.00-12.0	7.93 2.06 1.08-11.5	7.20 2.16 .667-11.6
Internal Conflict	8.82 2.31 0.0-12.0	10.26 1.68 3.0-12.0	8.27 2.29 0-12.0	8.71 2.13 0.0-12.0	8.56 2.40 0.0-12.0	7.97 2.39 0.0-12.0	7.65 2.26 0.0-12.0
Natural Log of Per Capita GDP	8.53 1.48 5.11-11.6	10.1 .768 8.07-11.6	7.45 1.25 5.12-11.4	8.71 .889 7.06-11.0	8.65 1.39 5.20-11.4	8.87 1.18 6.86-11.4	6.93 .871 5.12-9.20
Political Violence and Terrorism	8.50 2.40 0.0-12.0	9.38 2.34 1.50-12.0	8.16 2.34 0.0-12.0	8.91 2.16 1.50-12.0	7.85 2.46 1.50-12.0	6.77 1.92 0.0-12.0	7.86 2.26 0.0-12.0
Political Regime	7.61 3.30 0.0-12.0	10.9 1.66 3.14-12.0	6.36 2.87 0.0-12.0	8.10 2.74 0.0-12.0	6.11 3.29 0.0-12.0	5.54 2.78 0.0-12.0	5.98 2.46 0.0-11.0
Quality of Institutions and Bureaucracy	6.47 3.48 0.0-12.0	10.2 2.16 3.0-12.0	5.07 2.82 0.0-12.0	5.07 2.82 0.0-12.0	6.23 2.95 0.0-12.0	5.83 2.22 0.0-12.0	3.92 2.76 0.0-12.0
Religious Tension	9.10 2.66 0.0-12.0	10.5 1.81 2.0-12.0	8.58 2.73 0.0-12.0	10.6 1.34 8.0-12.0	7.52 2.85 0.0-12.0	6.41 2.35 0.0-11.0	8.27 2.59 0.0-12.0
Trade	78.3 52.2 .021-443	82.9 50.3 15.8-389	76.5 52.9 .021-443	62.7 34.8 12.3-275	93.7 74.2 .021-443	80.5 35.1 .021-210	60.2 26.2 .748-157
Unemployment	7.69 5.40 .100-33.6	7.79 4.13 1.10-27.5	7.66 5.81 0.10-33.6	7.51 3.92 1.58-20.5	5.33 3.94 .100-21.2	9.08 6.02 .100-31.8	8.27 7.16 .320-33.6

Appendix E – Coefficients of Variation

	<i>Full Panel</i>	<i>OECD</i>	<i>Non- OECD</i>	<i>Americas</i>	<i>Asia</i>	<i>MENA</i>	<i>Sub- Saharan Africa</i>
Civil Disorder	.213	.164	.203	.220	.196	.207	.191
Civil War/Coup d'état	.175	.103	.191	.126	.185	.232	.225
Corruption	.456	.289	.407	.420	.407	.349	.443
Ethnic Tension	.351	.262	.370	.276	.412	.334	.368
NL GDP Growth Rate	.656	.762	.611	.691	.568	.629	.628
Government Stability	.262	.202	.283	.261	.264	.259	.300
Internal Conflict	.263	.164	.277	.244	.281	.300	.295
Income Inequality	.357	.285	.305	.261	.232	.198	.244
NL Per Capita GDP	.179	.076	.157	.102	.161	.133	.126
Pol. Violence/ Terrorism	.282	.249	.286	.242	.313	.283	.287
Political Regime	.433	.151	.451	.337	.539	.502	.410
Quality of Institutions	.540	.212	.556	.517	.445	.382	.704
Religious Tension	.292	.173	.319	.125	.378	.365	.313
Trade	.667	.608	.691	.554	.789	.435	.436
Unemployment	.702	.530	.759	.521	.739	.663	.865