

Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: Saurabh Singhal, University of Southern California

TITLE: The Economic Costs of Naxalite Violence and the Economic Benefits of a Unique Robust Security Response

DAY & DATE: Friday, 13th August 2010

PLACE: Seminar Room 2

Abstract:

Using the synthetic control method of analysis, we provide the first measurements of the economic costs of Naxalite violence in India, as well as the direct economic benefits of a unique robust security response in one of the Naxalite affected states. Compared to a synthetic control region constructed from states not affected by Naxalite violence, we find that states affected by Naxalite violence lost on average 11.49% of their per capita NSDP over the period 1981 to 2000. Of the states affected by Naxalite violence, only one state i.e. Andhra Pradesh raised a specially trained and equipped police force in 1989 known as the Greyhounds, dedicated to combating the Naxalite menace. Compared to a synthetic control region constructed from states affected by Naxalite violence that did not raise a specially trained anti-Naxalite police force, we find that Andhra Pradesh gained on average 17.13% of its per capita NSDP over the period 1990-2000. Placebo tests indicate that both results are significant.

<http://www.isid.ac.in/~pu/seminar.html>