

Title: Decentralizing the Development-Conservation Trade-off: Evidence from Forestland Diversions in India

Speaker: Sabyasachi Das, Ashoka University

Area: Economics

Date: 05.10.2023, Venue: C13 @ 4PM

Abstract:

With rapidly depleting natural resources, governments across the world face the task of balancing economic development with conservation efforts. We study how the governance structure surrounding environmental policy-making, specifically decentralization of natural resource management shapes this trade-off by examining the economic projects in India that required diversion of forest land and were submitted to the Indian government for approval. We compile the universe of proposal submissions and their application outcomes and exploit a policy reform that decentralized the approval authority for a certain size of projects from the Central to State governments. We find that decentralization significantly increased the number of applications, but reduced the probability of approval. Estimates from a structural model with endogenous applications and approvals indicate that while State governments (as compared to the Center) put a 6% lower weight on economic development (vis-a-vis conservation), they also have 11% lower application cost. This results in a lower quality and higher volume of projects being proposed and approved, resulting in more deforestation without much economic development. From the lens of a dynamic model, we show that while State governments fundamentally value economic development more, they optimally choose to be more stringent in approvals, in response to lower costs and more applications received by them.

Speaker Profile:



Sabyasachi Das is an Assistant Professor of Economics at Ashoka University. He has received his Ph.D. in Economics at Yale University. Prior to joining Ashoka he was a Postdoctoral Fellow at the Indian Statistical Institute, Delhi. His fields of specialization are political economy, public economics, and applied microeconomics. For his research, he is primarily interested in exploring group inequalities that emerge from various democratic processes.

He has studied gender and caste issues in village elections and meetings in India, and explored governance consequences of political alignment between state and local governments by looking at appointments of bureaucrats. In other work, he is exploring broad electoral systems, such plurality rule and proportional representation, and comparing them across countries to determine their effect on representation of minorities in the government.

He is also interested in the themes on development economics in general. Currently he is exploring how price volatility in wholesale markets in rural India is affected by availability of storage capacity; he is looking at perishable commodities and construction of cold storages to answer this question.

He has taught a course on political economy for the Masters and Ph.D. students at ISI, Delhi, and has mentored Masters students at ISI on their thesis writing. He has been Teaching Assistants in various undergraduate level courses during his stay at Yale, including courses on Public Economics, Law and Economics, and Statistics and Econometrics.

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