



# The Impact of Global Terrorism on Economic and Political Development

**Afro-Asian Perspectives**

EDITED BY

**Ramesh Chandra Das**

# THE IMPACT OF GLOBAL TERRORISM ON ECONOMIC AND POLITICAL DEVELOPMENT: AFRO-ASIAN PERSPECTIVES

EDITED BY

**RAMESH CHANDRA DAS**

*Katwa College, India*



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## List of Contributors

- Asaleye Abiola* Department of Economics, Landmark University, Nigeria
- Henry Thomas Asogwa* Department of Economics, University of Nigeria, Nigeria
- Sema Ay* Associate Professor, Department of International Trade and Logistics, Bursa Uludag University, Turkey
- Babajide Abiola Ayopo* Department of Banking and Finance, Covenant University, Nigeria
- Dibyendu Banerjee* Assistant Professor in Economics, Serampore College, India
- Priyanka Bhaduri* Department of Political Science, Vidyasagar University, India
- Mainak Bhattacharjee* Assistant Professor in Economics, Loreto College, India
- Rajib Bhattacharyya* Assistant Professor in Economics, Hooghly Mohsin College, India
- Santanu Bisai* Assistant Professor of Economics, Shyamaprasad College, India
- Bappaditya Biswas* Assistant Professor in Commerce, University of Calcutta, India
- Işın Çetin* Assistant Professor, Department of Econometrics, Giresun University, Turkey
- Saptarshi Chakraborty* Principal, Panchakot Mahavidyalaya, India
- Tonmoy Chatterjee* Assistant Professor in Economics, Ananda Chandra College, India
- Felix Chidozie* Department of Political Science, Covenant University, Nigeria
- Nidhi Chowdhary* Assistant Professor, Political Science, Lalbaba College, India
- Koushik Das* Assistant Professor in Economics, Shyampur Siddheswari Mahavidyalaya, India
- Sourav Kumar Das* Department of Economics, Vidyasagar University, India
- Hasan Dinçer* Associate Professor, The School of Business, İstanbul Medipol University, Turkey



## Chapter 17

# An Inquiry into the Causes and Effects of Contemporary Terrorism in India

Saptarshi Chakraborty

### Abstract

Worldwide, the number of deaths from terrorism is rising at an alarming rate. Needless to mention, terrorism has a huge negative impact on the economy, mainly affecting price, output, employment, trade balance, poverty, inequality, military expenditure, budget pattern of the governments, sociopolitical environment, and several others. Calculation of the impact of terrorism on economic variables is undoubtedly important as primarily it portrays the vividness of the activity. This chapter concentrates on the impact of economic variables on terrorism because it is believed that knowledge of such an impact is necessary for initiating policies for reducing terrorism. This chapter finds that, especially in India, increase in the level of human development, which otherwise is believed to reduce the terrorist activities of a country, increases the number of casualties due to terrorist activities primarily because of uneven social and economic development.

*Keywords:* Terrorism; inequality; deprivation; sociopolitical; social; HDI; GINI

*JEL classification:* F52; C32; O15

### Introduction

Terrorism has become a common phenomenon in the contemporary world. Though it was present from the early ages, it has now gained huge momentum. The inception of terrorism is basically due to two basic factors. One is the

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Global economic and political systems have been facing serious threats from different terrorist groups for the last few decades, and the implications of these incidences are increasing rapidly. This edited collection seeks to address and analyse the ramifications of terrorism and terrorist activities on economic and political systems in terms of the decline in GDP levels, increase in unnecessary military expenditure at the cost of social and economic developments, disincentives to the foreign investors, loss of diplomatic powers at global levels, social unrest, and increase in youth unemployment, poverty, political violence, and more.

Whilst the book considers the effects of terrorism at a world-level, there is a specific focus on the economies in the Afro-Asian regions. This unique coverage of studies in quantitative economics and political systems offers postgraduate students, researchers and academics in the fields of political economics, international relations, and defence studies, among others, the opportunity to expand their knowledge on the impact of terrorism.

**Ramesh Chandra Das, PhD**, is presently Associate Professor of Economics at Katwa College, India with twenty years of teaching and research experience. Dr. Das has contributed to numerous reputable national and international journals, and has also written and edited a number of textbooks and handbooks in the areas of theoretical, financial, environmental and political economics.



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