

TABLE 5.2.3

Estimated effects of labor regulation on the performance of firms
in Indian states

	(1)	(2)	(3)	(4)
Labor regulation (lagged)	-.186 (.064)	-.185 (.051)	-.104 (.039)	.0002 (.020)
Log development expenditure per capita		.240 (.128)	.184 (.119)	.241 (.106)
Log installed electricity capacity per capita		.089 (.061)	.082 (.054)	.023 (.033)
Log state population		.720 (.96)	0.310 (1.192)	-1.419 (2.326)
Congress majority			-.0009 (.01)	.020 (.010)
Hard left majority			-.050 (.017)	-.007 (.009)
Janata majority			.008 (.026)	-.020 (.033)
Regional majority			.006 (.009)	.026 (.023)
State-specific trends	No	No	No	Yes
Adjusted R^2	.93	.93	.94	.95

Notes: Adapted from Besley and Burgess (2004), table IV. The table reports regression DD estimates of the effects of labor regulation on productivity. The