

PUBLIC ECONOMICS for Economics of Public Policy

Total Hours: 40	Number of Hours
<p>Introduction: Size and Growth of Government in India and Around the World <i>Policy Issues:</i> Education; Social Security; Health Care; Urban Policy issues; Income Distribution</p>	2
<p>Externality Theory and Public goods Positive and Negative Externalities Common Property Problems Private and Public Sector Solutions Price and Quantity Approaches Optimal Provision of Private and Public Goods Private Provision of Public Goods Public Provision of Public Goods <u>Application (Readings):</u> 1. The Political Economy of Public Goods: Some Evidence from India by Abhijit Banerjee and Rohini Somanathan, <i>Journal of Development Economics</i> 82 (2007) 2. Health externalities of India's expansion of coal plants: Evidence from a national panel of 40,000 households by Aashish Gupta and Dean Spears, <i>Journal of Environmental Economics and Management</i> 86 (2017)</p>	10
<p>Cost Benefit Analysis Measuring Costs of Public Projects Measuring Benefits of Public Projects Application: Problems of Contingent Valuation Application: Valuing Life and Discounting Future Benefits <u>Application (Readings):</u> 1. Cost-Benefit Analysis and Assessment of Quality of Care in patients with Hemophilia undergoing treatment at National Rural Health Mission in Maharashtra, India, <i>Value in Health and Regional Issues</i>, vol. 12 (2017)</p>	6
<p>Political Economy Aggregating Individual Preferences Voting Rules and Direct Democracy Arrow's Impossibility Theorem Median Voter Theory Representative Democracy Public Choice Theory – Government Failure; Bureaucracy; Leviathan Theory; Rent Seeking <u>Application (Readings):</u> 1. The Devil is in the Details: The successes and limitations of bureaucratic reform in India by Iqbal Dhaliwal and Rema Hanna, <i>Journal of Development Economics</i> 124 (2017)</p>	5

<p>State and Local Government Optimal Fiscal Federalism Decentralisation Theorem The Tiebout Model Fiscal Federalism in India Intergovernmental transfers Finance Commissions <i>Application (Readings):</i> 1. The Political Economy of India's Fiscal Federal System and its Reform by N. Singh and Govinda Rao</p>	6
<p>Policy Issues (Readings) (A) Education Role of Government <i>Application (Readings):</i> 1. National Policy on Education - 2016 http://www.nuepa.org/new/download/NEP2016/ReportNEP.pdf 2. Vani K. Borooah, 2017. "Measuring Inequality of Access to Higher Education in India," Journal of Quantitative Economics, Springer;The Indian Econometric Society (TIES), vol. 15(2), pages 241-263, June. 3. Bairagya, Indrajit, 2015. "Socio economic determinants of educated unemployment in India," Working Papers343, Institute for Social and Economic Change, Bangalore. https://ideas.repec.org/p/sch/wpaper/343.html (B) Social Security <i>Application (Readings):</i> 1. Recent Social Security Initiatives in India by Jean Dre`ze and Reetika Khera, World Development Vol. 98, pp. 555–572, 2017 (C) Health Care Role of Government An overview of Healthcare in India Ayushman Bharat Health Scheme <i>Application (Readings):</i> 1. Barik, Debasis & Thorat, Amit, 2015. "Issues of unequal access to public health in India," MPRA Paper 77224, University Library of Munich, Germany. 2. Political Agency and Public Health Care: Evidence from India, CESifo Working Paper No. 6640, 2017 http://www.cesifo-group.de/DocDL/cesifo1_wp6640.pdf 3. Mita Choudhury & Pritam Datta, 2019. "Private Hospitals in Health Insurance Network in India: A Reflection for Implementation of Ayushman Bharat," Working Papers id:13009, eSocialSciences. https://ideas.repec.org/p/ess/wpaper/id13009.html (D) Urban Policy Issues Slums Affordable Housing <i>Application (Readings)</i> 1. Curious Case of Urban Slums: The Way Forward by Rushabh Menon, Journal of Politics and Governance, vol. 5(1), March 2015 http://jpg.net.in/wp-content/uploads/2015/12/Rushabh-Menon.pdf 2. Working with the Market: a New Approach to Reducing Urban Slums</p>	5

<p>in India” Patricia Annez, Alain Bertaud, Bimal Patel and V. K. Phatak http://documents.worldbank.org/curated/en/935511468267317232/Working-with-the-market-a-new-approach-to-reducing-urban-slums-in-India 3. Affordable housing: Policy and practice in India by Kalpana Gopalan, Madalasa Venkataraman, IIMB Management Review 2015 https://www.sciencedirect.com/science/article/pii/S0970389615000336 (E) Income Distribution Facts on Income Distribution Poverty and Inequality: Concepts and Measurements Universal basic income <i>Application (Readings):</i> 1. The Poverty Line (Oxford India Short Introductions) by S. Subramanian (contents page) https://global.oup.com/academic/product/the-poverty-line-9780198086086?cc=in&lang=en&</p>	
<p>Taxation Theory Principles of taxation: benefit vs ability Types of Taxation Average and Marginal Tax Rates: Progressive, regressive and proportional taxation Horizontal and Vertical Equity Defining Income Tax base</p>	3
<p>Tax Reform VAT and GST <i>Application (Readings):</i> Report on the Revenue Neutral Rate and Structure of Rates for the Goods and Services Tax, Ministry of Finance, GOI (2015) A Market, Unified by Arvind Subramanian, Finance & Development, June 2018, vol. 55, no. 2 Arvind Subramanian, Finance and Development, June 2018 https://www.imf.org/external/pubs/ft/fandd/2018/06/impact-of-indias-new-GST-tax-on-the-economy/trenches.pdf Podar and Ahmad (2009): GST Reforms and Intergovernmental Considerations in India https://dea.gov.in/sites/default/files/GST%20Reforms%20and%20Intergovernmental%20Considerations%20in%20India.pdf</p>	3

Basic Text:

Gruber J. (2013): Public Finance and Public Policy, 4th edition, Worth Publishers