

Department of Economics
University of Delhi, Delhi
Minutes of Meeting

Subject : Common Pool of DSE ECON034
Semester : III/V
Course : Fiscal Policy and Public Finance in India –
Date & Time : ECON034 :15-May 2024 at 11:00 AM
Venue : Department of Economics
Chair : Manish Kumar and Varun Kumar Das

The meeting was attended by the following teachers

S.NO.	NAME	COLLEGE
1	Ankur Bhatnagar	Satyawati College
2	Deepa Verma	Sri Guru Gobind Singh College of Commerce
3	Poonam Kalra	St. Stephen's College
4	Ritu Khanna	Daulat Ram College
5	Shruti Garg	Sri Guru Gobind Singh college of commerce
6	Suman Rani	Shyam Lal College
7	Suvojit Lahiri Chakravarty	Aryabhata College
8	V. Sushmitha Naidu	Sri Venkateswara College

The contents below have been prepared following the syllabus document approved by AC and EC posted on DU website.

Learning Objectives

The Learning Objectives of this course are as follows:

- Fiscal and Public Policy is the study of government policy and its role for achieving allocation and distribution objectives of the government.
- The course deals with the nature of public expenditures of the government on various social schemes; budgets, debt sustainability and fiscal management by governments; study of decentralization, theory of fiscal federalism, issues of equity and efficiency, designing equalization transfers, conditional and unconditional grants, fiscal federalism.
- The course analyses these concepts theoretically and also specifically looks at the Indian Final Examples.

Learning outcomes

The Learning Objectives of this course are as follows:

- The students would learn the needs and objectives of government expenditure on social schemes and critically evaluate them.
- The student will understand the new concepts of budgeting and analyse the fiscal and debt management policies of the government.
- They will also learn the vast mechanism of fiscal federalism in India and the role and contribution of Finance Commission in achieving equity and efficiency in resource allocation in multiple levels of government.

SYLLABUS OF DSE-4

UNIT I: Income, Social Insurance and Redistribution (15 hours)

Redistribution and welfare policy, Universal Basic Income, Social Security, Health Insurance, Education, Pension Reforms

UNIT II: Public Expenditure and Fiscal Policy (15 hours)

Budget (Gender and Environment), Theories of Public Expenditure, Income and Employment Generation Policies, Public Debt; Sustainability and Debt Financing

UNIT III: Fiscal Federalism and Local Finance (15 hours)
Theory of Fiscal Federalism, Fiscal Federalism in India

Compulsory readings

UNIT I: Income, Social Insurance and Redistribution (15 hours)

Redistribution and welfare policy, Universal Basic Income, Social Security, Health Insurance, Education, Pension Reforms.

- Jonathan Gruber, (2011), *Public Finance and Public Policy*, 3rd edition, Worth Publishers. (Chapter-1, Chapter 15, Chapter 17)
- Hillman A. L., (2009), *Public Finance and Public Policy: Responsibilities and Limitations of Government*, 2nd edition, Cambridge University Press. (Chapter 1). (Till Section 1.2)
- Jha, P. and Acharya, N. (2016), Public Provisioning for Social Protection and Its Implications for Food Security, *Economic and Political Weekly*.

UNIT II: Public Expenditure and Fiscal Policy (15 hours)

- Budget (Gender and Environment), Theories of Public Expenditure, Income and Employment Generation Policies, Public Debt; Sustainability and Debt Financing
- Jonathan Gruber, (2011), *Public Finance and Public Policy*, 3rd edition, Worth Publishers. (Chapter-4)
- Rosen, H. & Gayer, T. (2014). *Public Finance (10th ed.)*. New York: McGraw-Hill. (Chapter 4, and Chapter 5) (Excluding policy perspective)
- Key Budget Document.

UNIT III: Fiscal Federalism and Local Finance (15 hours)

- Theory of Fiscal Federalism, Fiscal Federalism in India
- Rosen, H. & Gayer, T. (2014). *Public Finance (10th ed.)*. New York: McGraw-Hill. (Chapter 22)
- Rao, M. Govinda. "Central transfers to states in India: rewarding performance while ensuring equity." *Final report submitted to NITI Aayog* (2017).
- *Report Summary*, 15th Finance Commission, PRS India.

Suggested Readings:

- Jonathan Gruber, (2011), *Public Finance and Public Policy*, 3rd edition, Worth Publishers. (Main Textbook)
- Hillman A. L., (2009), *Public Finance and Public Policy: Responsibilities and Limitations of Government*, 2nd edition, Cambridge University Press.
- Rosen, H. & Gayer, T. (2014). *Public Finance (10th ed.)*. New York: McGraw-Hill.
- Rao, M. Govinda. "Central transfers to states in India: rewarding performance while ensuring equity." *Final report submitted to NITI Aayog* (2017).
- Fifteenth Finance Commission Report 2021-26.
- Report Summary, 15th Finance Commission, PRS India.
- Latest Finance Commission Reports
- Latest Economic Survey and Budget Documents

Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.

