

## Discipline Specific Elective 4 (DSE-4): Fiscal Policy and Public Finance in India

Semester	Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
			Lecture	Tutorial	Practical/ Practice		
III/V/VII	Fiscal Policy and Public Finance in India – ECON034	4	3	1	0	Class 12th	Intermediate Macroeconomics (ECON004)

### 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 analyze 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

**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

**Recommended 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

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