

**M.A (ECONOMICS) – FOURTH SEMESTER**

Fourth Semester			
S. No.	Name of Subject	Credits	Total Marks
1	Public Economics II	5	100
2	Environmental Economics	6	100
3	Issues in Economic Systems and Institutions	5	100
4	Ethics and Economics	6	100
<b>Total</b>		<b>22</b>	

**Subject Name: PUBLIC ECONOMICS-II**

- Public Choice** – Reasons for Public Choice; Public Choice under Direct Democracy – Unanimity rule – Lindahl and Wicksell, Majority Rule - Buchanan and Tullock Model, Bowen-Black Model; Arrow’s Impossibility Theorem; Public Choice Under Representative Democracy – Downs Model on Demand and Supply of Government Policy; Niskanen Model of Bureaucratic Behaviour.
- Public Enterprises** – Forms of Organization of Public Enterprises; Pricing Policy of Public Enterprises; Theory of Second Best; Capacity Constraints and Peak Load Problem; Social Cost Benefit Analysis; Problem of Risk and Uncertainty.
- Public Debt** – Objectives and Sources of Public Debt; Classification and Effects of Public Debt; Burden Controversy of Public Debt – Classical Theory, Modern Theory, Buchanan Thesis, Secondary Burden of Public Debt; Public Debt and Inflation; Public Debt Management and Redemption of Public Debt.
- Fiscal Federalism** – Principles of Multi-Unit Finance; Assignment of Functions Among Levels of Government; Tiebout Model and Citizen’s Mobility; Theory of Intergovernmental Grants; Budgeting – Phases of Budgetary Cycle; Parliamentary Control Over Budgets; Structure of Central Government Budget; Program Budgeting and Zero Base Budgeting.

**Suggested Reading:**

- American Economic Association, Readings in the Economics of Taxation, edited by R. A. Musgrave and C. Shoup (Homewood: Richard D. Irwin, 1959).
- Anthony Downs, An Economic Theory of Democracy (New York: Harper, 1957).
- Duncan Black and R. A. Newing, Committee Decisions with Complementary Valuation (London:William Hodge, 1951).
- Duncan Black, The Theory of Committees and Elections (Cambridge: Cambridge University Press, 1958).
- Howard Bowen, Toward Social Economy (New York: Rinehart, 1948), pt. IV.

6. International Economic Association, *Classics in the Theory of Public Finance*, edited by R. A. Musgrave and A. T. Peacock (London: Macmillan, 1958).
7. J. de V. Graaf, *Theoretical Welfare Economics* (Cambridge: Cambridge University Press, 1957).
8. James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962).
9. James M. Buchanan, *Fiscal Theory and Political Economy* (Chapel Hill: University of North Carolina Press, 1960).
10. Kenneth J. Arrow, *Social Choice and Individual Values* (New York: John Wiley and Sons, 1951; Revised edition, 1963).
11. Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965).
12. R. A. Musgrave, *The Theory of Public Finance* (New York: McGraw-Hill, 1959).
13. William J. Baumol, *Welfare Economics and the Theory of the State* (Cambridge: Harvard University Press, 1952; Revised second edition, 1965).

**Subject Name:** ENVIRONMENTAL ECONOMICS

**1. Introduction**

What is environmental economics; review of microeconomics and welfare economics.

**2. The Theory of Externalities**

Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem.

**3. The Design and Implementation of Environmental Policy**

Overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy.

**4. International Environmental Problems**

Trans-boundary environmental problems; economics of climate change; trade and environment.

**5. Measuring the Benefits of Environmental Improvements**

Non-Market values and measurement methods; risk assessment and perception.

**6. Sustainable Development**

Concepts; measurement.

**Suggested Readings:**

1. Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2<sup>nd</sup> edition, 2010.
2. Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5<sup>th</sup> edition, 2005.
3. Roger Perman, Yue Ma, James McGilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3<sup>rd</sup> edition, 2003.
4. Maureen L. Cropper and Wallace E. Oates, 1992, "Environmental Economics: A Survey", *Journal of Economic Literature*, Volume 30, pp. 675-740.

**Subject Name:** ISSUES IN ECONOMIC SYSTEMS AND INSTITUTIONS

**Unit -1 Economic Growth, Structure and Reforms**

Economic Growth in the Post - Independence Era -Emerging Structure –Contribution of Different Sectors to Output, Employment and Income-Growth across Regions/ States -National Income, Methodological Issues in Estimation-Saving and Investment, Trend and Pattern

Institutions in India's Economic Growth Process, Role and Significance-State v/s Markets, Planning –Economic Reforms in the early 90s-Globalisation-Second Generation Economic Reforms – Inclusive Growth, Recent Policy Initiatives

### **Unit -2 Agriculture**

Performance since Independence, across Crops and Zones-Institutional Structure –Land Reforms– Farm Size and Productivity-Agriculture Inputs-Technological Change in Agriculture –Sustenance of Agriculture Growth, -Agriculture Finance, Credit, Role of Co-operatives, Agriculture Marketing, Pricing –WTO, Impact on Agriculture-Agrarian Crisis-Food Security,

### **Unit -3 Industry**

Growth and Pattern of Industrial Development-Industrial Stagnation, Old and New, Debates-Trends in Industrial Productivity—Industrial Financing -Industrial Policies –Privatization and Disinvestment-Cottage and Small Scale –Globalisation and Technology Transfer-SEZ

### **Unit-4 Service**

Sources of Service Sector Growth-Infrastructure, Physical and Social, Status and Policies -- Transport -Energy –Telecommunication –Technology–Information Technology -Research and Development--Health and Education

### **Suggested Books:**

1. Aluvalia, I J and IMD Little (Eds) (1999), India's Economic reforms and Development , Oxford University Press , New Delhi
2. Bardhan, P. K. (1999), The Political Economy of Development in India, Oxford University Press, New Delhi
3. Chakravarty S, (1987), Development Planning: The Indian Experience, Oxford University Press, and New Delhi
4. Datt. R. (2001), Second Generation Economic Reforms in India, Deep and Deep Publications, New Delhi
5. Byres, Trence J (1998), The Indian Economy, Major Debates Since Independence, Oxford University Press, New Delhi

### **Subject Name: ETHICS AND ECONOMICS**

#### **Unit 1. Rationality**

Robert Shaver, "Egoism" Philip Pettit, "The Virtual Reality of Homo Economicus" (supplementary), Geoffrey Brennan and Giuseppe Eusepi, "Value and Values, Preferences and Price", Amartya Sen, "Well-Being and Agency", Sen, "Well-Being and Agency", Sen, "Well-Being and Agency", Elizabeth Anderson, "A Pluralist Theory of Value," "An Expressive Theory of Rational Action", Robert Sugden, "Why Be Consistent?"

#### **Unit 2. Freedom and property rights**

David Gauthier, "Why Contractarianism?", Gerald Gaus, The Order of Public Reason, Robert Nozick, Anarchy, State, and Utopia, Isaiah Berlin, "Two Concepts of Liberty", G. A. Cohen, "Freedom and Money", Richard Thaler and Cass Sunstein, Nudge, Pettit, Republicanism, Jeremy Waldron, "Homelessness and the Issue of Freedom".

#### **Unit 3. Commodities**

Anderson, "The Moral Limits of the Market", Shulamith Firestone, The Dialectic of Sex,

Anderson, "The Moral Limits of the Market", John Stoltenberg, "Confronting Pornography as a Civil Rights Issue", Rae Langton, "Speech Acts and Unspeakable Acts",

#### **Unit 4. The Market**

Allen Buchanan, Ethics, Efficiency, and the Market, Jon Elster, "The Market and the Forum" Jon Elster, "The Market and the Forum" Robert H. Frank, "Why Is Cost-Benefit Analysis So Controversial?" Thomas Schelling, "The Value of a Life" Allen Buchanan, Ethics, Efficiency, and the Market, Thomas Nagel and Liam Murphy, The Myth of Ownership, Nagel and Murphy, The Myth of Ownership

#### **Unit 5. Exploitation**

Manning Marable, How Capitalism Underdeveloped Black America Allen Wood, Karl Marx, Mike Munger, "Euvoluntary or Not, Exchange is Just" Susan Moller Okin, Justice, Gender, and the Family

#### **Unit 6. The Future**

Michael Heinrich, The Three Volumes of Karl Marx's Capital, (excerpt: "The Destructive Forces of the Capitalist Development of the Forces of Production", Derek Parfit, "Future Generations:

Further Problems"

#### **Select Reading List:**

1. Amartya Sen, "The Moral Standing of the Market", *Social Philosophy and Policy* 2/2 (1985), 1-19.
2. David Gauthier, *Morals by agreement*, OUP, 1986.
3. Dan Hausman, "Are markets morally free zones?", *Philosophy and Public Affairs*, Vol. 18/4 (Autumn 1989), 317-333.
4. Friedrich August von Hayek, "The use of knowledge in society", reprinted in *Individualism and Economic Order*, Chicago, UCP, 1948, 77-91.
5. John C. Harsanyi, "Morality and the theory of rational behaviour", in Amartya Sen and Bernard Williams (eds.), *Utilitarianism and Beyond*, CUP, 1982.
6. Akerlof, George A. (1970). "The Market for 'Lemons': Quality Uncertainty and the Market Mechanism". *Quarterly Journal of Economics* 84 (3): 488-500.
7. Geoffrey Brennan, "Five Rational Actor Accounts of the Welfare State", *Kyklos* 2/3 (2001), 213-234.
8. Arrow, KJ, 1963, "Uncertainty and the welfare economics of medical care", *American Economic Review*, 53, 941-73.
9. Jon Elster, "Social Norms and Economic Theory", *Journal of Economic Perspectives* 3 (1989), 99-117.
10. Kahneman, D, Knetsch, JL, Thaler, RH (1986) "Fairness as a constraint in profitseeking: Entitlements in the market". *American Economic Review*. 76(4): 728-741.
11. Dutt, A., Wilber, C. *Economics and Ethics An Introduction*.
12. Karl Polanyi on Ethics and Economics: Foreword by Marguerite Mendell Gregory Baum Copyright Date: 1996 Published by: [McGill-Queen's University Press](http://www.mcgill-queen's-university-press.com)
13. [Elizabeth A.M. Searing](#), [Donald R. Searing](#), eds., *Practicing Professional Ethics in Economics and Public Policy*.
14. [Kurt W. Rothschild](#) ETHICS AND ECONOMIC THEORY Ideas – Models – Dilemmas.
15. Joanna Dzionek-Kozłowska and Rafal Matera Jagiellonian, *Ethics in Economic Thought Selected Issues and Various Perspectives*.

**Note:** The Normal Rule and Regulation pertaining to the Examination and other issues will be applicable in Faculty of Arts as per Arunachal University of Studies Act 2012, Subsequent Statute and Rules & Regulations.