

Objective: The curriculum is designed to assure that the student gains substantial competency in the core subject matter and methodologies that are central to preparation of the dissertation leading to Ph.D. degree.

Outline Syllabus: Rational for government intervention; Public expenditure and social cost benefit analysis; Taxation and distributive justice: equity vs efficiency; Principles of local government expenditure; Local revenue sources: property tax, fees and charges; Tax sharing and grants-in-aid; International public finance: Implications for local bodies

Suggested Readings

Gruber, J. (2011). *Public Finance and Public Policy*, 3rd edition, Worth Publishers
http://bcs.worthpublishers.com/gruber3e/default.asp#544924_569037

Richard. A. Musgrave (1959). *The Theory of Public Finance*, New York: McGraw-Hill, New York

1. Why Government Intervention?

Market failure and public goods (local, provincial, national and global)

Externalities: types, private remedies (Coase Theorem), regulation and zoning; taxes (including carbon tax); measurement; Applications (peak load pricing; congestion fees)

Gruber (2011), chs 5, 6 and 7
http://bcs.worthpublishers.com/gruber3e/default.asp#544924_569037

2. Public Expenditure and Social Cost Benefit Analysis

Gruber (2011), ch 8
http://bcs.worthpublishers.com/gruber3e/default.asp#544924_569037

3. Taxation and Distributive Justice: Equity vs Efficiency

Mankiw, N. Gregory, Matthew Weinzierl, and Danny Yagan (2009). Optimal taxation in theory and practice, *Journal of Economic Perspectives* 23(4): 147–174
<http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.23.4.147>

Harris, Benjamin H. (2009). *Corporate Tax Incidence and Its Implications for Progressivity*, Tax Policy Center, Urban Institute and Brookings Institution, Pages 1-16
http://www.urban.org/uploadedpdf/1001349_corporate_tax_incidence.pdf

Reuven S. Avi-Yonah, Reuven S. (2006). Corporate Social Responsibility and Strategic Tax Behavior, *Law & Economics Working Papers*, University of Michigan Law School, Michigan
http://repository.law.umich.edu/cgi/viewcontent.cgi?article=1066&context=law_econ_archive

4. The Theory of Local Expenditure

Paul A. Samuelson, "The Pure Theory of Public Expenditure," *Review of Economics and Statistics*, XXXVI (November, 1954), 387-89; "Diagrammatic Exposition of a Theory of Public Expenditure," *Review of Economics and Statistics*, XXXVII (November, 1955), 350-56.

Tiebout, C.M. (1956) "A Pure Theory of Local Expenditures" *Journal of Political Economy* 64: 416-24

Banzhaf, H.S. and R.P. Walsh (2008) "Do people vote with their feet? An empirical test of Tiebout's mechanism," *American Economic Review* 98 (3):843-863

Nath, Shyam and Larry D Schroeder (2007). A counterfactual analysis of fiscal decentralization: The case of Mauritius, *Journal of Public Finance and Management* 7 (2)

Gangopadhyay, Partha and Shyam Nath (2001). "Bargaining, coalitions and local expenditure", *Urban Studies* 38:2379-2391

5. Property Tax and Fees and Charges

Zodrow, George R. (2007). The Property Tax as a Capital Tax: A Room with Three Views, The James A. Baker III, Institute for Public Policy, Rice University, Houston, USA. (Available at http://www.bakerinstitute.org/publications/2007_propertytax_zodrow.pdf)

Madhoo, Yeti Nisha and Shyam Nath (2013). "Beneficiary charges: The Cinderella of sub-national finance", International Center for Public Policy, Georgia State University, Atlanta, USA, *Working Paper* 13-17
<http://icepp.gsu.edu/sites/default/files/documents/icepp/wp/ispwp1317.pdf>

6. Tax Sharing and Grants-in-Aid

Oates, W.E. (1999) "An essay on fiscal federalism" *Journal of Economic Literature*, XXXVII (3):1120-1149.

Boadway, Robin and Anwar Shah (2007). *Intergovernmental fiscal transfers: Principles and Practice*, Public Sector Governance and Accountability Series, The World Bank, Washington, DC (chs 7 and 8)
<http://siteresources.worldbank.org/PSGLP/Resources/IntergovernmentalFiscalTransfers.pdf>

Jha, Raghendra (2014). India: Redesigning Fiscal Federalism after the Global Financial Crisis, Working Paper 2014 No 7, Australian National University, Canberra, Australia
http://crawford.anu.edu.au/acde/asarc/pdf/papers/2014/WP2014_07.pdf

7. International Public Finance: Implications for Local Bodies

Atkinson, A. B. (2004). *New Sources of Development Finance: Funding the Millennium Development Goals* (Policy Brief No 10), UNU World Institute for Development Economics Research (UNU-WIDER), Helsinki, Finland, Pages 1-27 http://www.wider.unu.edu/publications/policybriefs/en_GB/pb10/_files/78807311692398607/default/PB10.pdf (<http://rojasdatabank.info/unupb10.pdf>)

Boadway, Robin (2003). *National Taxation, Fiscal Federalism and Global Taxation* (Discussion Paper No. 2003/87), UNU World Institute for Development Economics Research (UNU-WIDER), Helsinki, Finland, Pages 1-27

http://www.wider.unu.edu/publications/working-papers/discussion-papers/2003/en_GB/dp2003-087/_files/78091736756454425/default/dp2003-087.pdf

Hepburn, Cameron and Nicholas Stern (2008). A new global deal on climate change, *Oxford Review of Economic Policy* 24(2): 259-279

<http://oxrep.oxfordjournals.org/content/24/2/259.short>