

M.A. (FINAL) ECONOMICS

Compulsory Paper

Paper-VIII

ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT

Unit I

Pareto optimality and competitive equilibrium; Fundamental theorems of welfare economics; Externalities and market inefficiency -externalities as missing markets; property rights and externalities, non-convexities and externalities; Pareto optimal provision of public goods - Lindahl's equilibrium, preference revelation problem and impure and mixed public goods, common property resources.

Unit II

Concept of total economic value, Use value; Option values and Non-use values; Valuation methods - Physical linkage methods. Abatement cost method, Behavioural linkage method (Revealed preference, Stated Preference and Subsidies).

Measures for Environmental Externalities -Pigovian taxes and subsidies, Coase's bargaining solution and collective action (Coase's Theorem).

Environmental Accounting- Meaning, need, nature of environmental accounting. Integrated Environmental and Economic Accounting (IEEA) and the measurement of environmentally corrected GDP (Green Accounting).

Unit III

Theories of optimal use of exhaustible and renewable resources; Environment and development trade off and the concept of sustainable development- need; Mechanism for environmental regulation in India; Environmental laws and their implementation; Policy instruments for controlling water and air pollution and forestry policy.

Unit IV

Education as an instrument for economic growth; Human capital -Human capital v/s Physical capital, components of human capital; Demand for education -private demand and social demand, Determinants of demand; Cost of Education -Expenditure on education, private costs and social costs and wastage and stagnation; Benefits of education -Direct and indirect benefits, private and social benefits; Educational planning. Educational financing - Resource mobilization and utilization, pricing and subsidies and effects of educational financing on income distribution; Education and labour market.

Unit V

Health dimensions of development; Determinants of health -poverty, malnutrition and environmental issues; Economic dimensions of health care -demand and supply of health care; Financing of health care and resource constraints; The concept of human life value; Inequalities in health -class and gender perspectives and its measurements with health indicators, Expenditure on Health Care.

BASIC READING LIST

- Baumol, W.J. and W.E. Oates (1988), *The Theory of Environmental Policy*, (2nd Edition), Cambridge University Press, Cambridge.
- Berman, P. (Ed.) (1995), *Health Sector Reform in Developing Countries: Making Health Development Sustainable*, Boston: Harvard Series on Population and International Health.
- Blaug, M. (1972), *Introduction to Economics of Education*, Penguin, London.
- Bromely, D.W. (Ed.) (1995): *Handbook of Environmental Economics*, Blackwell, London.
- Cohn, E. and T. Gaske (1989), *Economics of Education*, Pergamon Press, London.
- Fisher, A.C. (1981), *Resource and Environmental Economics*, Cambridge University Press, Cambridge.
- Hanley, N., J.F. Shogren and B. White (1997), *Environmental Economics in Theory and Practice*, Macmillan.
- Hussen, A.M. (1999), *Principles of Environmental Economics*, Routledge, London.
- Jeroen, C.J.M. van den Bergh (1999), *Handbook of Environmental and Resource Economics*, Edward Elgar Publishing Ltd., U.K.
- Klarman, H.E. (1965), *The Economics of Health*, Columbia University Press, New York.

- Kolstad, C.D. (1999), *Environmental Economics*, Oxford University Press, New Delhi.
- Pearce, D.W. and R. Turner (1991), *Economics of Natural Resource Use and Environment*, John Hopkins University Press, Baltimore.
- Perman, R. Ma and J. McGilvary (1996), *Natural Resource and Environmental Economics*, Longman, London.
- Sankar, U. (Ed.) (2001), *Environmental Economics*, Oxford University Press, New Delhi.
- Schultz, T.W. (1971), *Investment in Human Capital*, Free Press, New York.
- Tietenberg, T. (1994), *Environmental Economics and Policy*, Harper Collins, New York.

ADDITIONAL READING LIST

Unit I

- Arrow, K.J. (1970), 'The Organization of Economic Activity: Issues Pertinent to Choice of Market versus Non-market Allocation' in *Public Expenditure and Policy Analysis*, (Ed.), Haveman, R.H. and J. Margolis, Markham, Chicago.
- Crones, R. and T. Sandler (1989), *The Theory of Externalities and Public Goods*, Cambridge University Press, Cambridge.

Unit II

- Hanley, N. (1997), *Environmental Economics in Theory and Practice*, Macmillan, London.
- Mitchell, R.C. and R. T. Carson (1993), *Using Surveys to Value Public Goods: Resources for the Future*, Washington, D.C.
- Smith, V. Kerry (1996), *Estimating Economic Values for Nature: Methods for Non-market Valuation*, Edward Elgar, Cheltenham, U.K.
- Chopra, K. (1998). *Valuation of Bio-diversity within Protected Areas: Alternative Approaches* Institute of Economic Growth, Delhi.
- Hadker, N. et. al. (1997), *Willing to Pay for Borivili National Park: Evidence form Contingent Valuation*, *Ecological Economics*, Vol. 21.
- Markandya. A. and M.N. Mulrty (2000), *Cleaning the Ganges : Cost-Benefit Analysis of Ganga Action Plan*, Oxtord University Press, New Delhi.
- Baland, J.M. and J.P. Plateau (1994), *Haltin Degradation of Natural Resources: Is There a Role for Rural Communities*, Oxford University Press, Oxford.
- Hoel, M. (1997), 'International Coordination of Environmental Policies' in *New Dimensions in the Economic Theory of Environment*, Carrao Carlo and Domenico Siniscalco (Eds.), Cambridge University Press, Cambridge.

- Larsen, B. and A. Shaw (1994), *Global Tradable Carbon Permits, Participation Incentives, and Transfers*, *Oxford Economic Papers*, Vol. 46.
- Ostrom, E. (1990). *Governing the Commons: The Evolution of Institutions for Collective Actions*, Cambridge University Press, Cambridge
- Whalley, J. and R. Wigle (1997), 'The International Incidence of Carbon Taxes,' in Tietenberg, T. (Ed.), *Ecooomics of Global Warming*, 1997, Edward Elgar, U.K,
- Chopra, K., G.K. Kadekodi and M.N. Murty (1990), *Participatory Development : An Approach to the Management of Common Property Resources*, SAGE, New Delhi.
- Mehta, S., S. Mundle and U. Sankar (1995), *Controlling Pollution: Incentives and Reulation*, SAGE, New' Delhi.
- Murty, M.N., A. James. and S. Misra (1999), *The Economics of Water Pollution in India*, Oxford University Press, New Delhi.

Unit III

- Dasgupta, P.S. and G.M. Heal (1985), *Economic Theory and Exhaustible Resources*, Cambridge University Press, Cambridge.
- Dasgupta, P.S. and K.G. Maler (Ed.) (1997), *Environment and Emerging Development Issues*, Cambridge University Press, Cambridge, Mass.

- ESCAP (1997), Accounting and Valuation of Environment -A Primer for Developing Countries, Volume I, United Nations, New York.
- Markandya, A. and J. Richardson (Eds.), The Earth Scan Reader in Environmental Economics, Earth Scan, London.
- United Nations (1993), Integrated Environmental and Economic Accounting, United Nations, New York.
- Shattacharya, R.N. (Ed.) (2001), Environmental Economics: An Indian Perspective, Oxford University Press, New Delhi.
- Chopra, K., G.K. Kadekodi and M.N. Murty (1990), Participatory Development : An Approach to the Management of Common Property Resources, SAGE, New Delhi.
- Chopra, K. and G.K. Kadekodi (1999), Operationalising Sustainable Development : Economic Ecological Modelling for Developing Countries, Sage, New Delhi.
- Chopra, K. and S.C. Gulati (2000), Migration and the Management of Common Property Resources: A Study in Western India, Sage, New Delhi.
- Kerr, J.M. et. al. (Eds.) (1997), Natural Resource Economics: Theory and Applications in India, Oxford and IBH Publication Co. Pvt. Ltd., New Delhi.

- Mehta, S., S. Mundle and U. Sankar (1995), Controlling Pollution: Incentives and Regulation, SAGE, New Delhi.
- Murty, M.N., A. James and S. Misra (1999), The Economics of Water Pollution in India, Oxford University Press, New Delhi.
- Sengupta, R.P. (2001), Ecology and Economics: An Approach to Sustainable Development, Oxford University Press, New Delhi.

Unit IV

- Becker, G.S. (1974), Human Capital (2nd Edition), National Bureau of Economic Research, New York.
- McMohan, W. W. (1999), Education and Development : Measuring the Social Benefits, Oxford University Press, Oxford.
- Padmanabhan, C.B. (1984), Financial Management in Education, Select Books, New Delhi.
- Tilak, J.B.G. (1994), Education for Development in Asia, Sage Publications, New Delhi.
- Vaizey, J. (1962), Economics of Education, Faber and Faber, London.
- Woodhall, M. (1992), Cost Benefit Analysis in Educational Planning, UNESCO, Paris.