

TDC- II

Paper IV

**Domain of Public Economics
Welfare foundations of economic
policies
Public and private Finance
Subject matter
Importance**

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- The term Public Economics came into existence only in 1960s though a few titles with nomenclature like Public Finance had already started covering much ground, which is today covered within the realm of Public Economics.
- Public Economics is often called as applied welfare economics. It underlines the fact that some notion of social welfare or economic welfare of the society lies underneath this branch of economics.
- सरकार की दृष्टि से अर्थशास्त्र का अध्ययन ही लोकवित्त य राजस्व है ।
- लोकवित्त के स्वरूप का विवेचन दो रूप में किया जा सकता है –
- परंपरागत रूप
- आधुनिक रूप

- The term 'public' has a restricted meaning: it generally connotes government, as such, at all levels as well as public bodies, that is, the bodies floated by the government at any level.
- The term 'public' may also refer, in certain cases like public choice, to the people in general, which are supposed to participate in a democratic process of electing political representatives as well as options related to social/political/economic spheres.
- Public Economics can broadly be understood as that Economics which deals with public intervention in the economy. Its domain is supposed to encompass rationale for public intervention as well as the manner, approaches, forms, mechanisms, processes and instruments whereof.
- Public Economics is largely intervention into economic sphere much beyond fiscal politics as the sphere of economics is enlarging by day because, for instance, many environmental problems are being discovered to have economic implications.

- Public Finance was always dealing with intervention through fiscal instruments, including federal relationships between different tiers of governments and later on it subsumed Public Finances dealing with public sector enterprises when many private enterprises were nationalized and/or new enterprises were established in the public sector.
- In short, study of Public Finance (including Public Revenue, Public Expenditure and Public Debt), Public Enterprises/Firms, Public Projects, Public Utilities, Public Services and Public Choice would broadly form the realm of Public Economics. They may be concerned with any level of government— national, sub-national or local.

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Why does government undertake an economic activity?

- If an activity has large externality or spillover and involves a large number of people, it may be found better that government undertakes it.
- It should be easy to see that these roles could be categorized in various ways as microeconomic/macroeconomic, direct/ indirect, or participatory/regulatory or as measures of allocation/distribution/ stabilization.
- Making laws to ban/prohibit certain activities or rationing supply of imports through government establishment is direct while influencing supply and demand through tax-subsidy mechanism or promoting development of capital market through provisions in tax laws in the budget is indirect.

लोकवित्त एवं व्यक्तिगत वित्त

- १) आय-व्यय परस्पर समायोजन
- २) साधनों का स्वभाव
- ३) सार्वजनिक व्ययों का अनिवार्य स्वभाव
- ४) अवपीड़क () शक्ति
- ५) लाभ प्राप्ति का उद्देश्य
- ६) बजट सम्बन्धी अलग अलग दृष्टिकोण
- ७) भविष्य के सम्बन्ध में व्यवस्था
- ८) आय-व्यय सम्बन्धी सूचना गुप्त रखना
- ९) ऋण के बोझ के सम्बन्ध में दृष्टिकोण

लोकवित्त की विषय-वस्तु (Subject Matter)

आजकल इसके चार बड़े - बड़े भाग हैं ----

1. राजकीय आय (Public Revenue)
2. राजकीय व्यय (Public Expenditure)
3. राजकीय ऋण (Public Debt)
4. वित्तीय नीति (Fiscal Policy)

महत्त्व (Importance)

- आज विश्व में शायद ही कोई अर्थव्यवस्था हो जिसका सरकारी बजट एवं लोकनीति द्वारा नियमन न होता हो ।
- सरकार कर लगाती है और अनेक सार्वजनिक कार्यों एवं कार्यक्रमों पर व्यय करती है ।
- सरकार कर लेकर भी अनेक प्रकार के व्यय करती है ।
- अनेक सार्वजनिक उपक्रम कितनी ही बस्तुओं एवं सेवाओं का उत्पादन कर रहे हैं ।
- सरकार की इन सभी गतिविधियों के निजी उत्पादन, रोजगार, उपभोग, बचत एवं निवेश पर प्रभाव होता है।

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