

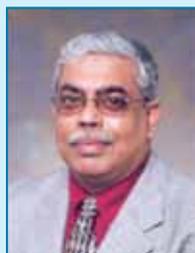


Centre for Training and Research in Public Finance and Policy

[A Ministry of Finance, Government of India funded initiative]

NEWSLETTER • OCTOBER 2013, VOL. 2, ISSUE 2

From the Project Director's Desk...



It gives me great pleasure to pen this brief outline of the plethora of activities carried out during the period from February 2013 to August 2013 at the Centre for Training and Research in Public Finance and Policy (CTRFPF). Over the last few months, numerous activities kept the faculty and staff of CTRFPF abuzz.

A three-day Training Workshop on Fiscal Issues and State Finances for tax officials of West Bengal was conducted at the CSSSC campus during the period August 12, 2013 to August 14, 2013. The workshop was organized at the request of the Ministry of Finance, Government of West Bengal

In addition to this, a two-day long Workshop on Public Finance was organized by Centre for Advanced Studies, Department of Economics, Jadavpur University, with support from CTRFPF on 7th and 8th February 2013.

A two-day International Conference on 'Fiscal Compulsions and Monetary Policy' was organized by the RBI Research Endowment of the Centre for Studies in Social Sciences Calcutta (CSSSC) at the CSSSC Campus on February 18, 2013 and February 19, 2013. Dr. Subir Gokarn, former Deputy Governor of the Reserve Bank of India and Prof. Michele Boldrin, J.G. Hoyt Distinguished University Professor, Washington University, St. Louis were the plenary speakers at the event

The Institute also organized a host of seminars by visitors as well as faculty members. The CTRFPF flag was carried abroad too: Our faculty members presented their papers in many international conferences held abroad, under the aegis of the CTRFPF. We are quite proud to mention that the Fourteenth Finance Commission, chaired by Dr. Y.V. Reddy, entrusted CTRFPF with the responsibility of undertaking a study on 'Evaluation of State Finances' with respect to West Bengal. On the publication side, the publication of the South Asian Journal of Macroeconomics & Public Finance is a significant addition to the activities under the CTRFPF and RBI Endowment Scheme at CSSSC. Much like the past, the focus of our research on issues concerning public finance and policy continues with equal zeal and we have undertaken six new projects in this regard.

The Centre will continue its efforts in research and capacity building in various policy areas and I know that I have all the needed cooperation and support in this endeavor.

Dr. Sugata Marjit

*RBI Chair Professor of Economics & Project Director,
Centre for Training and Research in Public Finance and Policy*

Upcoming Events ...

- The 3rd International Conference on 'Public Finance, Public Economics and Public Policy' is scheduled to be held on 5th and 6th December 2013. Prof. Arye L. Hillman of Bar-Ilan University, Prof. Giacomo G. Corneo of Free University of Berlin, Prof. Heinrich W. Ursprung of University of Konstanz and Prof. Parimal K. Bag of National University of Singapore will be the plenary speakers.
- A National Conference on 'Economic Reforms, Growth and Public Expenditure' is scheduled to be held on 8th and 9th October 2013. Prof. Shubhashis Gangopadhyay of Shiv Nadar University, Noida and Dr. Tridip Ray, Indian Statistical Institute, Delhi are the keynote speakers.

Training Workshop on 'Fiscal Issues and State Finances'

A Training Workshop on Fiscal Issues and State Finances for the government officials of West Bengal was held during 12-14 August, 2013 at the CSSSC campus. The Workshop was organized at the request of the Ministry of Finance, Government of West Bengal. The topics to be discussed under the training programme were decided in consultation with Sri Amar Kr. Majumdar (Senior Joint Commissioner of Commercial Taxes, HRD Cell, Directorate of Commercial Taxes, Government of West Bengal) and Sri Ataur Rahman (Additional Commissioner, HRD Cell, Directorate of Commercial Taxes, Government of West Bengal).

In all, twenty-one participants attended the workshop. Broadly, the aim of the training programme was to sensitize and provide up-to-date knowledge to the participants on issues concerning state finances and taxation policy. The training course covered the following topics:

- Emergence, Potential and Implications of E-Commerce
- Centre-State Coordination on Issues of Taxation
- Best Practices of VAT from Indian states
- Credit Profile, Tax Systems and Economic Growth

The three-day long training programme included lectures, discussions and presentation of various relevant case studies. The Training Workshop was coordinated by Dr. Tushar Nandi, Assistant Professor, CTRFPF.

The workshop was inaugurated by Prof. Sugata Marjit, RBI Industrial Economics Chair Professor and Project Director, CTRFPF. The resource persons for the training course included senior bureaucrats from the Government of India and experts from various training institutes of the country, including Mohan Gopal Ratnam (Professor, Administrative Staff College of India, Hyderabad), Abhijit Kundu (Assistant Professor, Department of Commerce, Barrackpore Surendranath College), Tapash Kumar Sen (Professor, National Institute of Public Finance and Policy), Rajshekhar Banerjee (Senior Joint Commissioner, Ministry of Finance, Department of Sales Tax, Government of West Bengal), J. P. Dange (Chairman, State Finance Commission, Government of Maharashtra) and Devendra Kumar Pant (Chief Economist and Head, Public Finance, India Ratings and Research Private Ltd.).

Feedback on the workshop was collected from the participants using a structured response sheet.

- The lectures were highly appreciated by the participants
- However, some participants felt that the inclusion of interactive activities could have made the training sessions livelier
- They stressed upon the necessity of holding such programmes more frequently in the future
- Overall feedback from the participants was extremely positive



Participants of Training Workshop along with (bottom row, second from left) Dr. Tushar Nandi, Assistant Professor, CTRFPF, Prof. Sugata Marjit, Project Director, CTRFPF, Prof. Jyotsna Jalan, Professor of Economics, CTRFPF & Shri Binod Kumar, IAS, Commissioner of Commercial Taxes, Government of West Bengal



Participants during one of the sessions at the CTRFPF Training Workshop

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(Training workshop continued ...)



Sbri Binod Kumar, IAS, Commissioner of Commercial Taxes, Government of West Bengal giving away Participation Certificate to one of the Workshop participants, while Prof. Sugata Marjit (extreme left), Project Director, CTRFPF looks on

“The Workshop threw light on the various economic aspects involved in the process of fiscal planning and formulation of taxation policies”

Atanu Majumdar
Senior Joint Commissioner, Commercial Taxes
Dept. of Finance, Govt. of West Bengal



Prof. Iyotsna Jalan, Professor of Economics, CTRFPF, Prof. Sugata Marjit, Project Director, CTRFPF & Sbri Binod Kumar, IAS, Commissioner of Commercial Taxes, Government of West Bengal during presentation of Certificates at the Training Workshop

“Cordial reception, well organized programmes and efficient management during the entire course of the Workshop are highly appreciable”

Sankar Kr. Roy
Senior Joint Commissioner, Commercial Taxes
Dept. of Finance, Govt. of West Bengal

International Conference on Fiscal Compulsions & Monetary Policy

■ A two-day long International Conference on Fiscal Compulsions and Monetary Policy was organized by the RBI Research Endowment of the Centre for Studies in Social Sciences Calcutta (CSSSC) at the CSSSC Campus on February 18, 2013 and February 19, 2013. The Conference was well attended by faculty members, research scholars and students of various Institutes and Universities. Dr. Pranab Kr. Das, Associate Professor of Economics, CSSSC coordinated the Conference.

The Conference was inaugurated by Prof. Tapati Guha Thakurta, Director, CSSSC. In the inaugural session, the third issue of the CTRFPF newsletter was released by Prof. Sugata Marjit, RBI Chair Professor and Project Director, CTRFPF and Prof. Amitava Bose, Indian Institute of Management, Kolkata. This was followed by the presentation of Prof. Marjit's paper, titled 'Fiscal Compulsions and Monetary Policy – An Indian Perspective'. The next presentation was on Sectoral Infrastructure Investment in India by Dr. Chetan Ghate, Associate Professor, Indian Statistical Institute, Delhi & ICRIER, New Delhi. The speaker of the post-lunch session was Dr. Subir Gokarn, former Deputy Governor of Reserve Bank of India. He presented a paper titled 'Macroeconomic Foundations of Rapid Growth'.

The plenary speaker on the second day of the Conference was Prof. Michele Boldrin, J.G. Hoyt Distinguished University Professor, Washington University, St. Louis and FED, St. Louis. His presentation dealt with issues related to the European Crisis. This was followed by a paper presented by Prof. Partha Sen of Delhi School of Economics. Other notable speakers of the concluding session were Prof. M. Ramachandran of Pondicherry University and Shri B. M. Misra and Shri Mridul Sagar of Reserve Bank of India, Mumbai.

Overall, the international conference was a grand success. The lively discussions following each presentation were enriched by the participation of a number of policy practitioners from the Government of India and many renowned economists, in addition to faculty members of CSSSC.

Announcement ...

- Dr. Sattwik Santra has been appointed as Assistant Professor of CTRFPF. We express our heartiest congratulations to him.
- Tanmoy Chatterjee, Shruti Sengupta, Jeeten Krishna Giri and Anindya Sain have joined CTRFPF as Research Assistants
- The publication of the South Asian Journal of Macroeconomics & Public Finance is a significant and ambitious addition to the activities under the CTRFPF and RBI Endowment Scheme at CSSSC. The purpose of the Journal is to publish (in English) peer-reviewed articles, reviews and scholarly comments on issues relating to contemporary global macroeconomics and public finance. For further enquiries visit the link to SAGE Publications Webpage, provided in the Research section of the CTRFPF website: www.ctrpfp.ac.in
- CTRFPF has provided financial support to the following faculty members for presenting papers in International Conferences:
 - Prof. Sugata Marjit presented his paper in the Western Economic Association Rim Bi-Annual Conference, held in Tokyo, Japan in March 2013.
 - Prof. Jyotsna Jalan presented her paper in the 5th Annual American Business Research Conference, held in New York, USA in June 2013.
 - Dr. Saibal Kar presented his paper in the Western Economic Association Rim Bi-Annual Conference, held in Tokyo, Japan in March 2013.
 - Dr. Pranab Kr. Das presented his paper in the 59th World Statistics Congress, held in Hong Kong, China in August 2013.

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Prof. Kalyan Chatterjee, Professor of Economics and Management Science, Department of Economics, The Pennsylvania State University in conversation with **Dr. Rittwik Chatterjee**, Assistant Professor of Economics, Centre for Studies in Social Sciences, Calcutta

Q: Auctions have been used as selling mechanisms since antiquity. But we find auction theory to emerge as an independent theoretical body only in 1961 with Vickrey's pioneering article. In your opinion what are the possible reasons for auction theory to make its own mark in economic theory so late?

A: It is difficult to explain why something happens when it does. I think Vickrey was sort of interested in treasury auctions; because when he wrote this paper in 1961, and it got published, game theory was not a popular method for analyzing economic problems. Initially there was a lot of excitement over game theory. Most economists then thought there is nothing much to gain from something that seems to be mainly about zero sum games even though Nash had already written about equilibrium. This may be one of the reasons why Vickrey essentially concentrated on dominant strategies. In that paper he also talked about multi unit auctions since the treasury auction is one. I think that he somehow saw a way of understanding some of the issues relating to treasury auctions. There were some other papers in this field of auctions. For example the paper by L. Friedman in the late 1950s showed how to calculate the optimum bid for a single player given a probability distribution of other people's bids. He didn't look at anything resembling equilibrium. After Vickrey in the 60s and early 70s; there were some nice papers, particularly the ones by Robert Wilson and Armando Ortega Reichert's 1968 thesis.

Q: How has auction theory evolved after Vickrey?

A: As I said, there were several papers in the 60s and 70s mainly in operations research by Rothkopf, Wilson and others, which dealt with asymmetric information. About the same time Harsanyi formalized games of incomplete information in 1967-8. When I started learning game theory there were no books dealing with this kind of material. There was the book by RDuncan Luce and Howard Raiffa (the latter later became my thesis advisor) and there was also the book by Owen; but these were not so relevant for what I was interested in. Raiffa had also been Wilson's advisor; so he asked Wilson what he could recommend to read about game theory. Wilson sent his class notes, I think, at Stanford. In these notes there was one chapter on auctions, which was actually a very detailed chapter that dealt with common values, private values, information acquisition in asymmetric information game etc and he credited the thesis of Ortega-Reichert for some of these results. Wilson discovered many of these things, but some of them were also discovered by Ortega-Reichert. So I got hold of his thesis, probably I'm one of the few people who have this thesis still. It had a very detailed analysis of auctions mainly based on some examples but the examples were very illuminating. Next was the paper by Milgrom and Weber. Milgrom was another student of Wilson; Milgrom and Weber wrote a paper analyzing equilibrium behavior in general auctions, so it was a considerable generalization of Ortega-Reichert and Wilson. After that the really big discovery has been Myerson's optimal auction design, which has become very popular as the mechanism design literature has attracted economists in many different fields. Again most of the results in Myerson (and in other papers that appeared around that time by Maskin and Riley and Riley and Samuelson) assume independent private values. What if you don't have independent values and risk neutral buyers? Later on there have been analyses of risk averse buyers, but optimal auctions have been hard to characterize explicitly and essentially those became comparisons of standard auction formats like English, Dutch, sealed bid first-price and the Vickrey auctions. On a personal note, at that time I was working on bargaining using a model that also described what was known as a double auction. My co-author was William Samuelson. Later Satterthwaite and Williams and Wilson also worked on this topic, as did others worked on it. The next big development in auction theory was analyzing privatization, which is when governments began to sell off public assets. Eric Maskin has really been the leader in this field in his own papers and those with Partha Dasgupta, on efficient as opposed to optimal auctions. Work on efficient auctions also gets back to Vickrey and there are different kinds of Vickrey like mechanisms. In the 1990s, there was a lot of excitement about selling off the air waves to cellular phone operators and a large number of auction theorists including Wilson and Milgrom, also Paul Klemperer and Ken Binmore (who was an expert in designing experiments rather than an auction theorist-he worked in bargaining theory), were called in to advise governments Most of the auction problems, for example these spectrum auctions, with complementarities are very

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difficult to solve explicitly, so we are very far from characterizing what is optimal for the seller in these contexts. However, auction theory informs us about what designs might be better than others and even this is a big help to governments and policy makers, who did not know these things and were relying sometimes on lawyers or civil servants or physicists (in the Netherlands, I believe) to design these auctions. Recently another aspect has become popular due to Wilson again. Wilson talked about how anyone could know the relevant probability distribution of values in real life. So he proposed that the mechanism chosen should be robust to fine details about the probability distribution.

Q: In which direction do you think the auction theory needs to develop further?

A: I think interdependent values and multiple objects. Those who did empirical analysis, which has advanced a great deal, noted the distribution of bids and converted them to distribution of values. We have some colleagues who work on this and they say that by looking at the data one can't identify whether the valuations are independent or interdependent or correlated. In some way one needs to develop something, which tells what the initial conditions are. Multiple rounds of auctions often exist and it is sometimes not clear why—some explanation or clarification is needed. Then reserve price is another issue. I don't think in most cases the seller can credibly introduce a reserve price. When the auctioneers sell objects they often don't reveal the reserve price. A secret reserve price is basically like not having a reserve price.

Q: What is your opinion about scoring auction and whether it has any extra benefit over normal auction?

A: I think scoring auctions are very important because in procurement there are different criteria to take into account. If you don't have multiple criteria, I don't understand what the extra benefit of having a scoring auction over a normal auction is. Even in the case of procurement if you are considering broadly different kinds of cost and perhaps a value of a design submitted by a particular bidder, you can combine them into one criterion – namely net value. This may, of course, be considered a particular scoring rule.

Q: How well does auction theory explain reality?

A: In terms of whether people in real auctions play equilibrium or not, the empirical auction literature has provided a great deal of support for equilibrium theory. For auction design, I have heard from Paul Klemperer that when he and Ken Binmore were designing the spectrum auction for Britain they found that an important issue was the issue of participation; you can't assume that there are a fixed number of bidders. So one thing that they wanted to ensure was that there would be enough participation to ensure there would be competition for the spectrum. But that was more of an Industrial Organization question than an auction-theoretic one. However, knowing auction theory, they could design the auction so that more firms had an incentive to participate in the bidding. In some cases there have been other people designing auctions, who are not economists. Probably it happened in other countries in Europe, e.g. when physicists, who generally think that the economists don't know anything, designed the auction and it proved to be quite a disaster. In Australia and New Zealand bureaucrats designed auctions. I believe in France they didn't use auctions at all, though I am not sure. In USA and Britain auction theorists designed the auctions. I think the auction theorists are also learning from experience. For example, one thing that you don't want for the firms who overbid and win is to go bankrupt and not use the licenses. I remember when I was visiting UCL, there was a newspaper editorial pasted on their notice board talking about how these auctions had generated massive amounts of revenue. The only problem is that if you generate too much revenue then firms can't pay and hence leave the market, then ultimately you are worse off. (I am not saying this happened in Britain.) So you have to take that into account while designing auctions. I believe there was a case in India all the bids were rejected and then the authorities announced a second round, which was completely a new game, and very few people came. So the issue of sticking to the rules once announced is very important and I think non-economists and non-auction theorists don't realize how important it is. If you don't stick to the rules once announced then people don't have any way of deciding what they are going to do and so people will not participate. So generally it is better to have auction theorists to design auctions.

Q: In reality we generally see that the auctioneers have different objectives while designing auctions. How to tackle several objectives in one auction?

A: We can't really deal with more than one objective to maximize. The only thing we can do is to have a constraint. In Britain they wanted to allow one new entrant in the market. So that was one of the objectives. I think, however, that you must

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remember that the more complicated the rule the harder it is for firms to choose rational responses.

Q: Kindly tell us whether auction is the most efficient mechanism over any other mechanism in your opinion.

A: My initial thought is that yes auctions are the most efficient mechanism. It depends partly on what efficiency is, though. If there was an auction for say kidneys, it might be efficient in the sense of whoever was willing to pay more would win, but the social objective function is different. There could be situations when auctions are not the best mechanism. For example if you take something that involves proprietary technology; here firms may not want to participate in auctions especially if they are open auctions because in this way they reveal something about the quality of the technology they possess. In this case it may be better to do sequential bargaining, but I don't think there is any model that has actually shown this. However, I think in general in most cases an auction is the most efficient mechanism.

Q: How does auction theory deal with the issue of corruptions?

A: It does not do that much. The only criminal activity that can be dealt with is the thing called bidding rings and there are lots of works on collusion among the bidders. But collusion between the seller and the buyers are not taken into account. Once a World Bank person said, that, the best way to avoid corruption in auctions is to specify the scoring rules in advance and to stick to them no matter what. Removing all discretion from the person who administers the auction ensured there was no corruption, according to him. This was important because the World Bank does not administer procurement itself; it gives money to countries, which then use it for procurement in these countries, where there is more scope for corruptions. On a different aspect, corruption is probably the reason why second price (Vickrey) auctions are not used often. I think a systematic study of corruption is important. The idea is to increase competition, should reduce corruption of some kinds and auctions certainly increase competition.

Q: Why do auctioneers resort to open bid auction formats when sealed bid formats are less collusion prone?

A: There had been some discussion on US spectrum auctions where there are several rounds of simultaneous auctions. I think one of the reasons for which they chose open auction formats is because they didn't want the winner's curse to make firms overbid; so in open auctions if one is overbidding then she can see how much she is overbidding and correct her bid. But they also wanted some simultaneous structure to avoid explicit collusion.

Q: Should the Indian Government involve more auction theorists?

A: The Indian government should involve auction theorists more than they are currently doing, because you have to take into account the industrial structure in the country itself. Although it is true that bidding is more international now, where foreign companies will bid, but even specific knowledge of local circumstances should inform the auction design. Taking into account the possible types of corruptions is also very important. The spectrum auction in Britain was very different from the one in the US, so India should design its own learning from international experience and also using the skills of auction theorists.

On Tax Effort – A Detailed Comparative Study of Andhra Pradesh and West Bengal

Sugata Marjit, *Centre for Studies in Social Sciences, Calcutta*

■ It is well known that Andhra Pradesh in spite of having similar “size” in terms of population, area or volume of economic activities tends to perform better than West Bengal. This project, being initiated at the informal request of the Finance Secretary, Govt. of West Bengal, will look into various aspects of this difference, both from a historical and contemporary perspective. Apart from analyzing secondary data at the micro level, we shall also study qualitative structure of governance as practiced in the two states. We plan to do an econometric study to explain the sources of differences with respect to tax effort, sector and activities.

Determinants of Stamp Duty Revenue in West Bengal

Vivekananda Mukherjee, *Jadavpur University*

■ Non-judicial stamp duty collected mainly from the sale of properties in the housing market is an important source of revenue for the Government West Bengal (varying on an average between 6 % and 12% of the state's own tax revenue). Further this is positively trending over the last decade. The objective of the proposed study is to calculate buoyancy of Stamp Duty revenue in West Bengal and try to find out if there exists an optimum stamp duty rate that maximizes stamp duty revenue in West Bengal. The study also intends to measure the extent of vertical externality imposed by capital gain tax rate and the property tax rate on stamp duty revenue collection in West Bengal and evaluate the impact of administrative reforms on stamp duty revenue collection of West Bengal. The study proposes to use information of stamp duty revenue collection from the districts of West Bengal for this purpose. The data on various tax rates will be collected from different government sources.

Inter-state Goods Movement: Central Sales Tax Collection & Evasion

Tushar Nandi, *Centre for Training and Research in Public Finance and Policy*

■ The Central Sales Tax (CST) is levied on inter-state transactions under the Central Sales Tax Act, 1956. The tax is appropriated by the state under constitutional mandate. It constitutes an important component of tax collection by the state. In 2010-12, CST amounted to 7.4% of total commercial tax collection in West Bengal. The CST collection has been an important and challenging task for states both because of its magnitude in relation to over all state tax collection and due to measures undertaken to form a uniform market with reduced monitoring of inter-state goods movement. Of late IT based solutions are being gradually applied to smoothen CST procedure. The latter development has important implication for both dealers involved in inter-state transactions and the taxing authority's gradual shift to a pan India indirect tax system. With relatively open inter-state boarder it's now more difficult to estimate the real CST that a state would collect in absence of any evasion. On the other hand, e-filing of the CST has made easier for the tax authorities to detect false declaration in other states, though the gain depends on the coordination and simultaneity of e-filing among states. It is also likely to reduce the misuse of the stock transfer exemption in the inter-state goods movement.

The study attempts to estimate the potential tax revenue for a state from inter-state goods movement. An inter-state trade framework is being employed to study the movement of goods from a state to other states in India. Recently a number of states have introduced e-services for CST related declaration, registration, application and way bill. In the second phase, the study will explore on the effect of this procedural shift on different aspect of inter-state goods movement and finally on the CST volume. A particular focus will be on the chain effect of the dematerialization. The study will attempt to examine whether the usage of e-service by a dealer has an effect on the e-service usage by other dealers in the similar or related line of

business. It will also shed light on the effect of dematerialization on the frequency and accuracy of declaration and the tax authority's cost of the verification.

Taxation in Ancient India

Nrisingha Prasad Bhaduri, *Reader (Retired), Gurudas College, Kolkata*

■ The scope of the project is to assess “taxation in ancient India”. It tries to look at the economic ideas prevalent in India during ancient ages, such as contract theory of paying taxes to the king against assurance of protection by the king. Further, it investigates the various terms used in ancient India for taxation from Vedic ages to the times of Kautilya. It also investigates the principles of taxation and sufficiency and social benefit theory. It tries to explain the ancient nature of tax structure and financial administration. Apart from these, commercial taxes like sulka, road tax, ferry tax, cattle tax etc. and other taxes like professional tax, income tax, labour tax, gambling tax, emergency tax etc. that were levied on people in ancient India are also investigated in this study.

Labour Market Outcomes of Budding Economists: Survey of Students doing a Masters Degree in Economics in Kolkata

Tushar Nandi, *Centre for Training and Research in Public Finance and Policy*

■ The objective of this study is to explore the labour market outcomes of young economists of Calcutta. The focus of the study is to identify the effect of their training as economists relative to the effects of other individual attributes on post graduation choices. A survey instrument has been designed to collect data of the post graduate students in Economics at four universities in Calcutta. In the first phase, 2nd semester economics students of these universities have been interviewed to collect information regarding individuals characteristics, educational progression and family background. These students will be interviewed again, six months after they finish their final semester of the master program. In this phase, information regarding their labour market outcomes will be collected for final analysis. The study also aims to carry out the same survey for a period of 3 years to study the dynamics of job market for budding economists.

Public Policy and Tourism: A State Level and Over Time Analysis for India

Saibal Kar, *Centre for Studies in Social Sciences, Calcutta*; Nabamita Dutta, *University of Wisconsin, La Crosse*

■ During recent times the importance of tourism has been widely recognized by many developing countries, with India being no exception. In fact, promoting tourism for the purpose of revenue generation at the state level is an important element of public policy. We undertake a detailed analysis of the amount of state wise revenue generation and how it can be affected by components of public policy. The research question is expected to generate implications for state and central public finance policies, since expenditures on development of infrastructure, maintenance of law and order, undertaking of (new) projects for the development of tourism are important components of public expenditure. Note that, allied provision of public goods such as roads, airports (hotels and restaurants are largely controlled by private firms though many are also under private-public partnerships) are directly linked with provisions of development expenditure incurred by state and central governments. The infrastructure-tourism link is one area under public finance/policy that has received very little attention in India. We also aim to carry out a detailed descriptive analysis considering Kerala and Rajasthan as special cases, followed by a state-wise empirical analysis. Overall, our hypothesis is to investigate the infrastructure expenditure and tourism growth linkage at the state level. The revenue generated by tourism at the state/national level is considered an important variable in this respect and in the absence of such data for some years/states we shall adopt adequate proxy variables.

Seminars by Faculty & Visitors

- Public Expenditure and Growth – Prof. Sugata Marjit, Centre for Studies in Social Sciences, Calcutta and Dr. Joydeb Sasmal, Vidyasagar University (21st January and 28th January, 2013).
- Public Policy and Human Capital - Dr. Saibal Kar, Centre for Studies in Social Sciences, Calcutta (4th February, 2013).
- Corruption – Dr. Vivekananda Mukherjee, Department of Economics, Jadavpur University (11th February, 18th February and 25th February, 2013).
- Public Provision of Security in an Insecure Property Rights Environment – Dr. Subhra K. Bhattacharya, Department of Economics, Shiv Nadar University (20th March, 2013).
- Targeting Consumer Groups and What They Consume for the Mitigation of Climate Change in India - Prof. Madhumati Dutta, Bengal Engineering and Science University (26th March, 2013).
- Intergenerational Persistence of Industry in India – Dr. Tushar Nandi, Centre for Training and Research in Public Finance and Policy (8th April, 2013).
- Modeling Irrationality – Dr. Sattwik Santra, Centre for Training and Research in Public Finance and Policy (22nd April and 29th April, 2013).
- Strategic Diffusion in Networks – Prof. Kalyan Chatterjee, Department of Economics, Pennsylvania State University (17th June 2013).
- Credit Constraints and Inter-firm Transactions – Prof. Sugata Marjit, Centre for Studies in Social Sciences, Calcutta (1st July, 2013).
- The Output Gap and Expected Security Returns – Dr. Anindya Biswas, Spring Hill College, Alabama, USA (8th July, 2013).
- Other Regarding Preferences and Moral Hazard – Dr. Swapendu Banerjee, Department of Economics, Jadavpur University (29th July, 2013).

Distinguished Visitors to CTRFPF

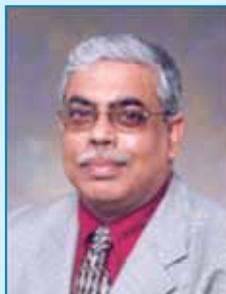
Over the last few months quite a few outside researchers have visited CTRFPF. They include:

- Prof. Michele Boldrin, J.G. Hoyt Distinguished University Professor, Washington University, St. Louis;
- Dr. Subhra K. Bhattacharya, Assistant Professor, Department of Economics, Shiv Nadar University, Noida, India;
- Dr. Nabamita Dutta, Assistant Professor, Department of Economics, University of Wisconsin, La Crosse;
- Dr. Sourav Bhattacharya, Assistant Professor, Department of Economics, University of Pittsburgh.

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Meet the people at CTRFPF ...



PROF. SUGATA MARJIT
Project Director & RBI Chair Professor



PROF. JYOTSNA JALAN
Project Co-Director & Professor of Economics



DR. TUSHAR NANDI
Assistant Professor of Economics



DR. SATTWIK SANTRA
Assistant Professor of Economics



SUMIT DUTTA
Programme Co-ordinator



KOUSHIK KR. HATI
Research Associate & CTRFPF Web Manager



SUNANDA BHATTACHARYA
*Research Associate & CTRFPF
Publications-in-charge*

CTRPFPP

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About CTRPFPP ...

The Centre for Training and Research in Public Finance and Policy (CTRPFPP) was established in the year 2011 as a consequence of a MOU signed between the Centre for Studies in Social Sciences, Calcutta (CSSSC) and the Ministry of Finance, Government of India, for promotion of study, research and training in public finance and public policy.

CTRPFPP emphasizes on research and policy based studies related to contemporary fiscal affairs, specially focusing on taxation and various fiscal support programs of Central as well as State Governments. The Centre aspires to promote effective economic, social and public policies through better understanding of their impact on individuals, families and businesses. It desires to communicate its research conclusions effectively, thereby maximizing their impact on policy, both directly and through public debate to a wider range of audience. It plans to establish itself as the authoritative commentator on public finance, tax and welfare policy, inequality and poverty issues, productivity and innovation etc. For further details on our work please visit www.ctrpfp.ac.in or contact our Program Coordinator at ctrpfp@ctrpfp.ac.in.