Indian Institute of Technology Kanpur

Proposal for a new course

Course title: Economics Against Conventional Wisdom
Course no: MBAXXX
Lectures per week: 3-0-0-0 (5)
Duration of course: Half semester/Modular
Proposing department: Management Sciences
Proposing instructor: Subhankar Mukherjee

Course description: Public debates on important economic issues are often shaped by conventional wisdom. This course examines a set of widely debated economic issues through the lens of economic concepts and empirical evidence. It begins by exploring why and how conventional wisdom shapes public discourse on economic issues, and then applies economic reasoning and empirical evidence to a set of topics including migration, international trade, economic growth, taxation, automation, minimum wages, and the role of government. The course aims to develop the ability to critically assess competing claims about economic issues using reasoned and evidence-based arguments. Rather than providing simple answers, the course emphasizes trade-offs, historical context, and the strengths and limitations of alternative approaches in evaluating the critical issues facing societies and economies.

Course objective: Through this course, students will learn:
- Why and how conventional wisdom influences popular discourse on important economic issues;
- How economic reasoning, concepts and empirical evidence can be used to evaluate such issues;
- The importance of critically assessing competing claims about economic issues using evidence-based reasoning.

Prerequisites, if any: Introductory economics course, such as Economic Analysis for Management (MBA606) or equivalent

Short Summary for Inclusion in the courses of study booklet: This course examines a set of widely debated economic issues through the lens of economic theory and empirical evidence. It begins by exploring why and how conventional wisdom shapes public discourse on economic issues, and then applies economic reasoning and empirical evidence to topics including migration, international trade, economic growth, taxation, automation, minimum wages, and the role of government. The course aims to develop the ability to critically assess competing claims about economic issues using reasoned, and evidence-based arguments.

Course content and readings:

Lectures 1 & 2: Introduction
- How and why do conventional wisdom influence attitudes toward economic issues?
- How can economic concepts and empirical evidence help?

Readings:
- The Concept of the Conventional Wisdom (Chapter 2) from Galbraith, J. K. (1958). *The Affluent Society.*

- MEGA: Make Economics Great Again (Chapter 1) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- Stantcheva, S. (2024). "Perceptions, Mindsets and Beliefs Shaping Policy Views." *2024 Economica–Coase Lecture.*
- Caplan, B. (2002). "Systematically biased beliefs about economics: Robust evidence of judgemental anomalies from the survey of Americans and economists on the economy". *The Economic Journal*, 112(479), 433–458.

Lectures 3 & 4: Migration
- Do people migrate too much? Is there a gap between perception and reality?
- Does in-migration reduce job opportunities?

Readings:
- From the Mouth of the Shark (Chapter 2) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- National Academies of Sciences, Engineering, and Medicine. 2017. The Economic and Fiscal Consequences of Immigration. Washington, DC: The National Academies Press.
- Alesina, A., Miano, A., & Stantcheva, S. (2023). Immigration and redistribution. *The Review of Economic Studies,* 90(1), 1–39.

Lectures 5 & 6: International Trade
- Is 'free' international trade good for all participants?
- Does imposing tariffs bring jobs back to the home country?

Readings:
- The Pains from Trade (Chapter 3) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- Trade and the Biosphere (Chapter 15) from Dasgupta, P. (2021), The Economics of Biodiversity: The Dasgupta Review. (London: HM Treasury).
- Topalova, P. (2010). "Factor Immobility and Regional Impacts of Trade Liberalization: Evidence on Poverty from India," *American Economic Journal: Applied Economics*, 2, no. 4, 1–41.

Lectures 7 & 8: Economic growth
- Is economic growth synonymous with progress?
- Is GDP a good measure for well-being?

Readings:
- Jones, C. I. (2015). "The facts of economic growth". *NBER working paper no. 21142.*
- Classical GDP Issues (Chapter 1) from Stiglitz, J., Sen, A., & Fitoussi, J. (2010). *Report by the Commission on the Measurement of Economic Performance and Social Progress.*
- United Nations. (2026). Counting What Counts: A Compass of Progress for People and Planet.
- The Content of Well-Being: Empirics (Chapter 11) from Dasgupta, P. (2021). *The Economics of Biodiversity: The Dasgupta Review.* (London: HM Treasury).

Lecture 9: Taxes
- Should governments tax?
- Do lower taxes always promote economic prosperity?

Readings:

- "Cut Taxes" in The End of Growth? (Chapter 5) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- Chodorow-Reich, G., Zidar, O., & Zwick, E. (2024). Lessons from the biggest business tax cut in US history. *Journal of Economic Perspectives,* 38(3), 61–88.

Lectures 10 & 11: Automation and employment

- Will the current wave of automation eliminate most jobs?
- Did past waves of automation eliminate jobs?

Readings:

- Player Piano (Chapter 7) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- Autor, D. H. (2015). Why are there still so many jobs? The history and future of workplace automation. *Journal of Economic Perspectives,* 29(3), 3–30.
- Brynjolfsson, E., Chandar, B., & Chen, R. (2025). Canaries in the Coal Mine?: Six Facts about the Recent Employment Effects of Artificial Intelligence.

Lecture 12: Minimum wage

- Does minimum wage necessarily reduce employment?

Readings:

- Card, D., & Krueger, A. B. (2000). Minimum wages and employment: a case study of the fast-food industry in New Jersey and Pennsylvania: reply. American Economic Review, 90(5), 1397-1420.
- Dube, A. (2019). Impacts of minimum wages: review of the international evidence. Independent Report. UK Government Publication.

Lectures 13 & 14: Government

- Do we need government as an institution?
- Are governments necessarily inefficient?
- Can governments innovate?

Readings:

- "Is Government the Problem" in Legit.gov (Chapter 8) from Banerjee, A. V., & Duflo, E. (2019). *Good Economics for Hard Times.* Juggernaut Books.
- Efficiency and Equity (Chapter 7) from Stiglitz, J. E. (2015). *Economics of the Public Sector, 4th edition.* Norton.
- The State Behind the iPhone (Chapter 5) from Mazzucato, M. (2013) *The Entrepreneurial State.* Anthem Press.

Any other comments: NA

Proposer: Subhankar Mukherjee
Date: 16th August, 2026

DPGC Convenor:
Date:

The course is approved/not approved.

Chairperson, SPGC:
Date: