

ECONOMIC POLICY FOR MANAGERS  
SPRING TERM 2025  
SYLLABUS

This course provides a practical framework for understanding how economic policies impact markets, society, and business decisions. The course begins with foundational topics such as market failures, externalities, and public goods, using insights from leading economic research. It then examines broader societal issues like the social safety net, trust, and justice, encouraging students to reflect on ethical dimensions of policy-making. The second half focuses on global trade, exploring the political economy of trade liberalization, trade wars, and their implications for businesses. The course concludes with an exploration of social media's economic, mental health, and political effects, highlighting the opportunities and challenges posed by rapid technological advancement, followed by a discussion of possible policy recommendations. Through a combination of readings, case studies, and debates, students gain tools to navigate the complex interplay of economic policy and managerial strategy.

The class will be co-taught by Professors Alexey Makarin and Professor Roberto Rigobon. The classes to be taught by Alexey Makarin are indicated below with AM, the classes taught by Professor Rigobon are indicated with RR. **This class has no prerequisites.**

The class has a teaching assistant (TA). There will be no recitations for this class, but the TAs will each hold office hours by appointment.

Before each class, you are expected to read all the “required readings” listed below.

This is a case/readings-based class. There is no final exam. Instead, one class will be reserved for a debate with presentations, described in detail below. The class will meet from 8:30am to 10:00am in **E62-223** on the dates specified below.

## **DEBATES/PRESENTATIONS**

The class of March 12 is reserved for a debate. The question for the debate is listed below. All students are required to be in class for the debates (see the grading scheme of the debates described in detail below).

In each section, students will sort into teams of three or four at a maximum. Each team will have to prepare a presentation. It should be a PowerPoint presentation with a maximum length of 5 slides (including a cover slide). This presentation is the only deliverable needed for the debate.

Before the debate, Alexey, Roberto, and the TAs will evaluate the slides and pick teams to present. Since the question is open-ended, there may well be between 2 and 5 teams picked to present (they will, of course, all have different answers to the question posed). The teams that do not get picked will get a chance to participate as described below.

For the actual day of the debate, we will ask the teams who got selected to present their answers. They have to use the slides they submitted to their TA - the slides cannot be changed at all after submission. The teams will have 5 minutes maximum to present.

Once the selected teams have presented, we will open up the question for discussion from the rest of the class. The other teams that did not get selected will have an opportunity to present their arguments either in support of one of the answers already provided or for a whole new answer. All presentations and discussions will be graded (see the section on grading below).

The debate will be judged by Alexey, Roberto, and the TAs. There may be an additional third judge.

**Debate Question:** TBD

### **Grading the Debate**

The grade of the debate has two main parts:

- The first part of the grade comes from the slides prepared by each team. These will be graded by Alexey, Roberto, and the TAs. This accounts for 50% of your total grade in the class.
- The second part of the grade deals with the actual days of the debate. This will count for a total of 20% of your grade, which comes from the grade that the panel of experts gives to each team. The teams can earn this portion of the grade in two ways. If they are picked to present, then that grade will come directly from the presentation. If they are not picked to present, then they should make a statement when the discussion is opened, and that statement will award their team grades. In addition, any other substantive comments made by anyone will award their team points (note that the only individual points for the debates come from attendance). **Though all the debate grades are group grades, you will get zero if you do not attend.**
- Note that, in total, the debate makes up 70% of your grade.

**OVERALL GRADING SCHEME:**

Your grade for the course will be composed of the following:

Class participation:	30%
Grade on the debate slides:	50%
Grade on the actual debate:	20%

Class participation is graded on a range of -2 to 3 in every class. If you do not attend class, you get a -2. If you are late, you get a -1. If you attend but do not speak up much or just ask clarifying questions, you get 0. If you speak up with at least one good comment, you will get points ranging from 1 to 3, depending on the quality of the comment. Speaking up on its own is not enough to earn even a 1. A 3 will be awarded extremely rarely and is for a comment/question that really changes the discussion. Your final participation grade is an average of all the individual class grades.

**All three debate slide decks are due on: February 28 by midnight.** We will announce the presenters on March 7 by midnight.

**Contact Information*****Professors***

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ECONOMIC POLICY FOR MANAGERS  
CLASS SCHEDULE AND REQUIRED READINGS

**Module I – Economics of the Public Sector**

**1. Mon Feb 3: Market Failures: Public Goods [RR]**

Readings:

Book Chapter: “Public Goods and Publicly Provided Private Goods,” Chapter 5, Stiglitz, J. E., & Rosengard, J. K., 4<sup>th</sup> edition, “The Economics of the Public Sector”

Class Notes

**2. Wed Feb 5: Externalities [RR]**

Readings:

Book Chapter: “Externalities and the Environment,” Chapter 6, Stiglitz, J. E., & Rosengard, J. K., 4<sup>th</sup> edition, “The Economics of the Public Sector”

Class Notes

**3. Mon Feb 10: Social Choice [RR]**

Readings:

Book Chapter: “Public Choice,” Chapter 9, Stiglitz, J. E., & Rosengard, J. K., 4<sup>th</sup> edition, “The Economics of the Public Sector”

Class Notes

**4. Wed Feb 12: Social Safety Net [RR]**

Readings: Class notes

**5. Tue Feb 18: [Monday Schedule due to Presidents' Day] Trust [RR]**

Readings: No reading, but look out for the exercise that will be sent on Canvas.

**6. Wed Feb 19: Justice and Fairness [RR]**

Readings: Not required, but read (if you want to change your life) the book “Justice: What's the Right Thing to Do?” by Michael J. Sandel.

**Module II – Public Policy in International Trade**

**7. Mon Feb 24: Pains from Trade: Political Economy of Trade Opening [AM]**

Book Chapter: “The Pains from Trade” from “Good Economics for Hard Times” (2019) by Duflo, Esther, and Banerjee, Abhijit. Chapter 3.

**8. Wed Feb 26: Trade Disintegration [AM]**

HBS Case #9-717-028: Brexit

**9. Mon Mar 3: Wars and Trade [AM]**

Speech: G. Gopinath (IMF) “[Geopolitics and its Impact on Global Trade and the Dollar](#)”

Article: “The Economics of Sanctions: From Theory into Practice” (2024) by O. Itskhoki and E. Ribakova

Article: Egorov, K., Korovkin, V., Makarin, A., & Nigmatulina, D. (2025) Trade Sanctions Against Russia: Stylized Facts. American Economic Association Papers & Proceedings.

**Module III – Public Policy in the Digital Sector****10. Wed Mar 5: The Welfare Effects of Social Media [AM]**

Article: Allcott, H., Braghieri, L., Eichmeyer, S., & Gentzkow, M. (2020). The welfare effects of social media. *American Economic Review*, 110(3), 629-676.

Article: Braghieri, L., Levy, R. E., & Makarin, A. (2022). Social media and mental health. *American Economic Review*, 112(11), 3660-3693.

**11. Mon Mar 10: The Politics of Social Media [AM]**

Article: Boxell, L., M. Gentzkow, and J. M. Shapiro. "Is Media Driving Americans Apart?" *New York Times* 6 (2017).

Article: Enikolopov, R., Makarin, A., & Petrova, M. (2020). Social media and protest participation: Evidence from Russia. *Econometrica*, 88(4), 1479-1514.

**Module IV – Student Debate****12. Wed Mar 12: Debate**