

GLOBAL 130, FALL 2023
GLOBAL ECONOMY AND DEVELOPMENT
MONDAY AND WEDNESDAY 2-3:15 PM, 1940 BUCHANAN

Professor Aashish Mehta	Email: mehta@global.ucsb.edu	2111 SSMS
TA: Andrea Carlos	Email : aecarlos@bren.ucsb.edu	2110 SSMS

This is a strictly in-person course. Lectures and discussions will not be recorded. Attendance in lectures is expected. We will take attendance in discussion section and factor it into your course participation score.

Zoom link: Only for occasional use (e.g. one-off appointments and infection).

Course Description: The world is in flux. It has become multi-polar. Power structures are rapidly realigning. War and climate change have displaced millions and created economic hardship for billions. Poverty has declined dramatically, and yet inequality is rising and democracy is on the back foot within most countries. A key driver in all this is the dramatic spread of economic growth since the 1990s. This shift leads to new opportunities and challenges for countries, people and for a variety of local and global actors. It means big new challenges to the institutions that we have relied on to maintain peace and stability, and that have guided the global economy. It is arguably the biggest driver of environmental degradation, which continues to accelerate dangerously. How will societies cope, adapt and thrive? While there are no straightforward answers, this course will introduce you to key historical developments in economic thought, politics and policy that have brought us to this point, and that should inform our thinking about how to answer these questions. Our thinking on these debates will be informed, wherever possible, by quantitative data, which, when used carefully, is helpful for capturing many large social and economic phenomena. We will begin in the latter half of the twentieth century, when many developing countries gained greater autonomy to set their own course, and used it in very different ways.

The course also aims to improve your economic literacy, particularly with respect to the big policy debates of the day. These debates concern basic social provisioning (income, food, shelter, medical care, education), environmental protection, economic growth, institutions, employment, public finances, macroeconomic stabilization, public services, trade, industrial change, employment, financial regulation and inequality.

Finally, you will learn to be more intelligent consumers of quantitative data.

Expectations / Approach: The course covers a lot of material, and you will only learn it well if you participate fully. Take the opportunity to speak with Andrea and me – especially in discussion section; attend lectures; and attend OH to go deeper or for help whenever you *think you MIGHT* need it. I will cover a lot of material in lecture and in online modules, and it is your job to come into office hours with any doubts you have about it. Stop me if you think I have been unclear. Many of you will find you need to attend OH regularly, even some of you that have never had to in your college career. Please fill out the Canvas Survey listing ALL times that you could possibly attend OH. This will maximize the chances that we set up OH at a time that you can attend.

Time commitment: As Global Studies majors, you are expected to spend half an hour per day reading the news. In addition to this, expect to spend approximately 4 hours per week on this course excluding lecture and section.

Adjustments: Life happens, and everybody needs a little help sometimes. Please contact the TAs or me IMMEDIATELY if you are having difficulty meeting course requirements.

Welcome: This is a space for collaborative learning, intellectual exploration and personal growth. All people are welcome - especially those who are not welcomed and served elsewhere. All intellectual and political points of view will be respectfully considered and probed for internal consistency, empirical validity and usefulness.

Requirements:

- **Current Events and Arithmetic Quizzes (14% of your final grade, based on best 7 out of 9 quizzes):**
 - Why? Global Studies is not a useful major if you cannot apply what you learn to the world; I will use numerical examples throughout the course to explain course material; and facility with numbers will benefit you for the rest of your life.
 - Completed in class at the start of each Wednesday lecture. Bring pencils.
 - 4 questions about recent events of global significance. You are not expected to get 100% on them (we wouldn't either). The goal is to provide an incentive, per department policy, to read two or more newspapers or reputable news-sites daily.
 - Several arithmetic questions to be completed quickly. These will be worth $\frac{1}{2}$ as much as the current events questions in weeks 2-5, and as much as them later on. Prepare using resources on Gauchospace.
 - Week 1 quiz is not graded. Prep for it, so that you learn how to prepare for subsequent quizzes.
 - 2 out of 9 quizzes are dropped, so there will be no makeup quizzes.
- **Homework (24% of your final grade, best 6 out of 7 problem sets @4% each):**
 - Upload by 7 pm on Mondays (1 per group, all names on it), unless otherwise indicated.
 - Process conceptual material and learn to manipulate & interpret simple quantitative data.
 - Groups of 3 students will upload one assignment each to Gauchospace.
 - We are happy to check your completed HW drafts in OH prior to submission. Once they are completely correct, we will mark them as done, and you get 100% on them.
 - Arrange to meet with your group in person.
 - Each group member must understand all submitted answers. Do NOT put the names of group members who have not contributed to the assignment on the assignment.
 - Groups to be assigned at random, and may change periodically.
 - If your group wishes to become permanent, or if you wish to work in a group with friends, please make sure everybody in this proposed grouping is on board, and email Andrea, cc to all the other members. These persons will no longer be randomly assigned.
 - Conversely, email Andrea if you identify somebody that you do NOT wish to work with. You do not need to provide a reason. Groups change at random, so nobody will ever know you requested it.
 - If you experience bad group dynamics, let Andrea know (and cc me).
 - Email me and cc Andrea if you feel you need a (rare) exception to work on HW individually.
 - No group may include two or more students who share a first-language that is not English. This is because one of our course goals is to improve your logical communication skills in English.
- **Online Modules: 10%.**
 - Videos and quizzes that cover basic concepts/tools.
 - If an online quiz goes badly, attend OH within a week after the due date to learn the material, and replace your grade. Try to attend Andrea's OH for this or see me after class, as my Monday OH will mostly be dedicated to HW.
- **Midterm Exam (17%):** Multiple choice. Closed book. In-class. Printed English – XXXX dictionaries allowed.
- **Final Exam (25%):** Multiple choice. Cumulative. Closed book. Monday, 11 December, 4-7 pm, 1940 Buchanan. Printed English – XXXX dictionaries allowed.
- **Course participation (10%):**
 - Based on effort displayed in lecture, discussion, OH and engagement with course material.
 - We will never reveal your course participation score to you.

Sections:

Section attendance will be taken. Participation in section and our impressions of your engagement with the readings are drivers of your course participation score. Note that it is the quality rather than the quantity of your contributions in section that will matter. To ensure useful class discussions and high participation scores, complete your readings before class, and be respectful of your classmates and TA. You may switch sections only through GOLD. Three weeks' sections will be held in computer labs. Please see itinerary.

Grading: The purpose of education is learning. The grading arrangements serve only this objective.

- The course is NOT graded on a curve. You are not competing with each other. Instead, work together to help each other master the material. Grades must accurately reflect the quality of your work in order to help you to assess your strengths and work on your weaknesses.
- You should aim for 100% on homework and the online quizzes, by getting your homework checked and redoing quizzes in OH where necessary.
- Scores on in-class quizzes, the midterm and final, will average somewhere around 60-65%, to create strong incentives to study.
- Course participation scores will never be revealed to you, but will usually range from 70-100% if you attend at least 9 out of 10 sections, depending on your effort and the quality of your contributions. We will penalize students who are disrespectful of their TAs or classmates, or free-ride in their homework groups.
- This course has a reputation for taking more time than other UCSB social science courses. I therefore anticipate a more generous distribution of grades than is typical. Certainly, a grade in the 90s will be at least an A minus, a grade in the 80s will be at least a B-, and a grade in the 70s will be at least a C-. Ds and Fs are reserved for students who do not put in the requisite effort.

Tips for success:

- Concepts will build on each other. If you don't understand one, the next may not be intelligible. Therefore, study regularly, ask questions in section, and visit our office hours regularly.
- Study using the review questions. Identify readings and lecture slides to which each question refers.
- Study in a group. Explain your answers to homework and review questions to other members of your group
- Always read before or immediately after lecture and before section, with the aid of the review questions.

Current Events: It is the policy of the Global Studies department that 15% of course grades in all required courses will depend on you developing a daily newspaper habit. As noted, you will have current events quiz questions every Wednesday. To do well on these, read multiple newspapers with serious international coverage daily. DO NOT GET YOUR NEWS FROM SOCIAL MEDIA, GOOGLE, YOUTUBE, FACEBOOK OR ANY OTHER ALGORITHMIC AGGREGATOR!! The following sources have standards, independent editorial boards, decent international coverage, and are free or relatively inexpensive:

- [BBC World News](#) (but read the World and international sections, as the “top stories” include click-bait)
- [Al Jazeera News](#)
- [The Wall Street Journal](#) (Limited subscription discount for \$2 per Month)
- [The Washington Post](#) (Digital student subscription \$7 per Month)
- [The New York Times](#) (\$1 per week)
- [The Economist](#) (Student subscription - Currently discounted at \$19.75 per year, digital)
- [Financial Times](#) (Student discount - \$189 per year)

Office Hours

I will be available 11:30-1:30 on Mondays in 2001 SSMS and 3:15-3:45 MW outside Buchanan. Andrea will hold OH from 4-5 pm on Tuesdays and 9:30-11:30 am on Fridays. If you are planning to visit Andrea's OH, please visit [her Calendly site](#) to select a timeslot and to send her a note describing what you are coming to seek help with. This is only to help her to prepare for your questions. If all slots are already taken you may attend her hours anyway.

Bring homework questions to OH. If you have seriously attempted the homework, we will help you with it, and may grade it on the spot (time permitting).

Given these extensive hours, we will not make appointments outside office hours to meet with students to discuss course material. However, do seek out an individual appointment if you wish to discuss a private matter.

Course Email Policy:

- When you face serious personal difficulties, drop into office hours. If the difficulties prevent you from attending OH, please send us a brief email stating what the problem is, and follow up with us in person, if possible.
- Please do check your emails on Friday and Sunday evenings for updates and instructions.
- We will not use email to teach you or to check your work. Please come to office hours for this.
- We will not respond to any email inquiry about course arrangements whose answer can be found in the syllabus, my email announcements – which are preserved on Canvas, or announcements in lecture (e.g., “when is HW#3 due”; “Can we turn in HW in groups of 5”?). If, after consulting with a class-mate, you think I have failed to properly specify some course arrangement, please email me, cc to Andrea.

Cheating/Academic Dishonesty

The following is departmental policy, to which I will defer in all circumstances.

- It is the policy of the Global Studies Department not to tolerate academic misconduct of any sort.
- Academic misconduct is defined by the university. It includes, but is not limited to, plagiarism, copying or putting your name on somebody else’s work, and cheating on exams. Violations of course-specific policies intended to prevent academic misconduct constitute academic misconduct. Aiding an act of academic misconduct is academic misconduct. Please read [the university’s policy here](#). Ignorance is not an excuse.
- Any instructor in charge of a course informed of the possibility of academic misconduct will look into the matter. If the instructor determines that there is “reasonable suspicion” of academic misconduct, they will gather what facts are available and refer the matter to the Office of Judicial Affairs. Judicial Affairs will adjudicate whether a penalty is appropriate and what it should be, not the instructor.
- TAs and graduate teaching associates are required to make efforts to detect and report academic misconduct to their faculty supervisors. This is not a choice, and good faith efforts to do so cannot be held against them. Overall responsibility for implementation of policies on academic dishonesty does not rest with graduate students, but with their supervisors.

Use of Mathematics and Spreadsheets

- The weekly quizzes will test you on basic mental math. This includes basic arithmetic, working with common fractions and percentages, millions & billions, and some high-school algebra.
- In addition, you will have to work with compound interest, interpret graphs and understand the equation for a straight line. Expect lots of graphs. Your first HW assignment will make sure you are ready. Do not wait to get up to speed on this. None of the class materials will make sense until you do.
- Use the online resources posted on Canvas to practice your mental math. Come see me in OH early in the quarter if you suffer from math anxiety, as in my experience, this is fixable in the span of one quarter for almost all of you.

Week	Lecture	Date	Topic (Subtopics/Readings)	Section Topic	HW Due
ONE	1	2-Oct	<p>Introductions</p> <p>ONLINE: Purchasing Power Parity (Due 11 Oct)</p> <p>ONLINE: Why GDP and Market income are (almost) the same thing (Due 11 Oct)</p>	<p>Malesic, "The Key to Success in College...", and how to read a graph (K&W, Ch. 2 Appendix)</p>	
	2	4-Oct	<p>Growth and Development: Introduction</p> <p>AT HOME EXERCISE: Playing with Gapminder</p> <p>VIDEO: Why Argentina's economy is in such a mess Wealthier is Healthier (Pritchett and Summers, Read after class)</p>		
TWO	3	9-Oct	<p>Growth and Development: assessing causality</p> <p>ONLINE: The Pros and Cons of GDP</p> <p>ONLINE: Necessary and Sufficient Conditions</p>	<p>Wealth and Health: Meet in Computer lab, 1007 SSMS.</p>	<p>HW#1: Graphing</p>
	4	11-Oct	<p>Growth and Development: A broader view</p> <p>ONLINE: Positive and Normative Statements Post Development (Escobar)</p> <p>The Human Development Approach (Taylor & Lybbert, Ch. 6)</p>		
THREE	5	16-Oct	<p>Supply and Demand</p> <p>Supply & Demand (Krugman and Wells, Ch. 3)</p>	<p>Supply and Demand</p>	<p>HW#2: Wealth and Health</p>
	6	18-Oct	<p>What markets can and cannot achieve</p> <p>ONLINE: The good news about markets</p> <p>Brookings (2021) "Why the US should establish a carbon price."</p> <p>Environmental Defense Fund "How Cap and Trade Works"</p> <p>L.A. Times "Despair over gentrification"</p> <p>Sen (Poverty and Famines)</p>		
FOUR	7	23-Oct	<p>How to keep essentials affordable 1</p> <p>ONLINE: Exchange Rate Determination 1 (Floating currencies)</p> <p>The coming food catastrophe - the Economist</p> <p>Europe's energy sacrifices: the winter test of resolve</p> <p>Krugman & Wells, Ch. 4</p> <p>Price ceilings and subsidies (3 Articles on Venezuela).</p>	<p>Affordability</p>	<p>HW#3: Supply and Demand</p>
	8	25-Oct	<p>How to keep essentials affordable 2</p> <p>ONLINE: Public distribution systems</p> <p>Public Provision (Dreze and Khera, 2015)</p> <p>Budget dilemmas in practice ("How oil rich Nigeria fails to profit...", EIU Nigeria Country Report, PWC Budget Summary)</p>		
FIVE	9	30-Oct	<p>Climate Change Mitigation (1)</p> <p>Krugman & Wells Ch. 19</p>	<p>The Kaya Identity: Meet in computer lab, 1007 SSMS.</p>	<p>HW#4: Affordability</p>
	10	1-Nov	<p>Climate Change Mitigation (2)</p> <p>The U.S. has billions for wind and solar projects. Good luck plugging them in.</p> <p>"Pace of Climate Change Sends Economists Back to the Drawing Board" - NYT</p> <p>Congressional Progressive Caucus "Principles & Recommendations on the Climate Crisis"</p> <p>Clemencon (2023) "30 years of climate negotiations"</p>		

Week	Lecture	Date	Topic (Subtopics/Readings)	Section Topic	HW Due
SIX	11	6-Nov	MIDTERM	Midterm Review. OH in lieu of Friday section. No attendance.	HW#5: The Kaya Identity
		8-Nov	Orthodox Trade Theory Krugman & Wells, Ch. 17		
SEVEN	12	13-Nov	Trade and Distribution ONLINE: The Heckscher-Ohlin Model Krugman & Wells, Ch. 17 "Why banning food exports does not work." - The Economist	Trade theory	
	13	15-Nov	Alternative views on international trade ONLINE: The China Shock (Autor & Dorn, 2016) Protectionism (Chang) The commodities problem (2 Readings on Mongolia & Kyrgyzstan) What you export matters (Atlas of Economic Complexity) After Factory Disaster....		
EIGHT	14	20-Nov	Development Paradigms 1: Modernization (Investment Fundamentalism) ONLINE: Labor Standards and the Race to the Bottom (Wang, 2018) Economist "Faced with an overseas debt crisis,...", Handout on the Harrod-Domar Model)	No Section - Thanksgiving Break	HW#6: Orthodox trade theory
	15	22-Nov	Development Paradigms 2: Structural Change and Dependency Theory ONLINE: Exchange Rate Determination 2 (Overvaluation/Undervaluation) An African Growth Miracle (Rodrik, 2018) Dependency Theory (Dos Santos)		
NINE	16	27-Nov	Industrialization - the benefits, Challenges and ONLINE: import Substitution ISI and EOI (Taylor & Lybbert, pp. 345-351). Studwell, "How Asia Works", Selection Neoclassical Counterrevolution(Easterly, Ch. 11)	Investment Fundamentalism: Meet in computer lab - 1007 SSMS.	
	17	29-Nov	Introduction to financial crises ONLINE: Leverage ONLINE: Aggregate Demand and Supply ONLINE: Inflation, Recession and Growth Levine, 1997 (Read after lecture) Stiglitz, 2003, "The East Asian Financial Crisis" (Read after lecture)		
TEN	18	4-Dec	Financial Crises BEFORE CLASS: Inside job Rajan: Introduction & Chapter 1 from Faultlines	Evans (2019) / Review for final exam	HW#7: Investment Fundamentalism
	19	6-Dec	Wrap up: The World Today Chan et al. - "America Can't Stop China's Rise"		