
Eco 324H1F L101: Economic Development, Fall 2017

Prof. Freitas, Department of Economics, University of Toronto

Course Description

This course will give you an overview of selected topics in development economics. We will take a primarily microeconomic approach to understand observed patterns of behavior in low-income countries. The focus is choices made by individuals and families and how these are affected by the constraints and context in which they are made. For each topic, we will use theory and data to identify an economic framework that helps us understand the main mechanisms at play, playing close attention to the assumptions we make. Through this you will understand how economists approach questions in development and how we use frameworks to understand the world. The goal is to build a strong foundation that allows you to apply these models and methods to other issues in the field.

Learning Objectives

By the end of this class successful students should be able to

- Describe how economists approach and understand a broad set of topics in development.
- Explain basic economic mechanisms behind some observed outcomes
- Use economic tools to critically analyze arguments - Identify implicit and explicit assumptions, check validity of predictions and logical consistency, evaluate supporting evidence.
- Methodically work through the impact of a proposed policy articulating how and why it could affect outcomes, paying careful attention to the limits of the analysis and how the predictions depend on underlying assumptions.
- Understand and explain the role of evidence - what constitutes good evidence, issues in establishing causality, explaining data analysis conducted in articles.
- Explore recent developments in a topic of interest independently and in-depth.
 - Apply course concepts to an open-ended real world setting,
 - Conduct and communicate their economic analysis and associated nuances precisely, using simple English, to a wide range of audiences.
 - Provide critical feedback to peers.

COURSE INFORMATION

Meeting information

Section	Lecture day, time (location)	Tutorial day, time (location)
L101	Thu, 2-4 pm (VC 115)	Fri 10-12pm (VC 115)

Lecture Handouts will be posted on Portal the night before. During class, we will use the slides as a framework to guide our discussions. This means that they will be sparse. They are **not lecture notes and not a substitute for attending lecture**. Development and this class requires you to actively engage with the material. This is why I will *not* be posting marked up slides. You will need to supplement them with your own notes, both during and after class, for them to be effective study aids.

The **Midterm will be held on a Friday for the entire 2 hour tutorial block**. You are expected to be available during this time as it is official class time. Occasionally we may use this time for tutorials and/or additional lecture time. Please see the schedule on the class website and check the announcements regularly.

Contact Information

Prof. Freitas: Office – GE 224, k.freitas@utoronto.ca, 416-978-2268
TA: Jiaqi Zou jiaqi.zou@mail.utoronto.ca

Office Hours Prof. Freitas: Tuesdays 3.30-5pm (location GE 213)

This is a large room and you are encouraged to come in even if you don't have any specific questions. In the past students have found it a way to work in the room and use me as a resource if they need. It is also a way to get to know other students and form study groups.

Links Course website: <http://freitas.faculty.economics.utoronto.ca/eco-324/> and [Portal](#)

Socrative: <https://www.socrative.com/> Room code: ECO324

Communication - Email, Website and Portal I will use the **website** (<http://freitas.faculty.economics.utoronto.ca/eco-324/>) to communicate general information, announcements, reading list and assignment resources. All course material like past exams, problem sets, assignments etc. will be on Portal. You are responsible for checking both the website and Portal regularly. All **email** communication will be sent to the class list on Portal. If your email can be answered briefly, I will try to respond to within 3 business days. If you do not get a reply please check Portal, the website, the syllabus or see me.

Prerequisites You will be dropped from the course if you do not have the required prerequisites. I will expect you to be comfortable with the material in the prerequisite courses.

http://www.artsandscience.utoronto.ca/ofr/calendar/crs_eco.htm#ECO324H1
<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

Required Text

- [*Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*](#), Abhijit Banerjee and Esther Duflo; Public Affairs, 2012

The other text on the reading list is **available online via the library** (you don't need to buy it)

- [*Development Economics*](#) – Debraj Ray, Princeton University Press, 1998.: <http://go.utlib.ca/cat/8839558>

A copy of each is available on Course Reserves at Robarts

Required Readings

Reading List: <http://freitas.faculty.economics.utoronto.ca/eco-324/#readinglist>

It will be updated throughout the course. Please check it regularly.

In addition to the textbook there are required readings. For each of these I will expect you to be able to summarize and critically evaluate the main arguments and results of the article. You will be tested on this in the exams. The assigned readings are meant to be more comprehensive than the material presented in class and complementary. You are responsible for learning any information presented in class or assigned in the readings.

EVALUATION

Important Dates

The grade for this class will be based on the term tests below. Please bring your T-card to all tests. You may be assigned extra readings and/or study materials before tests and exams.

Test	Weight	Due Date	Time	Location	
Midterm	30%*	20-Oct	10-12pm	TBA	
Portal Quizzes	10%*	Weekly	Mon 9:00 AM	Portal	
Assignment stages	1%	Choice Proposal:	29-Sep	10:00 AM	Portal (Peer Scholar)
	1.50%	First Draft:	27-Oct	10:00 AM	Portal (Peer Scholar)
	2.50%	Peer Review:	3-Nov	10:00 AM	Portal (Peer Scholar)
	13.50%	Final Draft:	17-Nov	10:00 AM	Portal (PS)+Turnitin
	1.50%	Reflection:	17-Nov	10:00 AM	Portal (Peer Scholar)
Final Exam	40%*	Determined by A&S (3 hours)			

* **The weight on the Portal quizzes will be reallocated equally to your midterm and final (i.e. 35% midterm, 45% final, 0% Portal quizzes), if this raises your course grade.** The weight on your assignment will still remain 20%

Tests

Exact coverage will be posted before each test. The final is **cumulative** and will cover all of the material from the course.

Assignment

There will be one, **individual** term writing assignment for this class. Further details will be provided on Portal. It is an essential part of the course. It will give you the opportunity to explore more in depth, a development topic that may

be interesting to you. It will build analytic skills by applying your tools to more open-ended real contexts. It will help develop your communication skills by making you to explain your reasoning in words. Most importantly, it will engage you with important issues in the field and give you a taste for ways development is being addressed in the real world.

It is broken up into stages so you can get feedback along the way to help you improve your work. Please see the instructions on Portal for details, due dates and submission instructions. As part of this assignment you will have to provide feedback on three of your classmates' first drafts. I expect to use **Peer Scholar through Portal** for this. The final draft will need to be submitted on Portal and **Turnitin**.

First drafts submitted after the due date and time will not be accepted and you will get a grade of **zero** for the entire peer assessment part of the assignment. This is because they system cannot put you into the allocation. If you submit your **peer evaluations** after the due date and time, you will get a grade of **zero** for the peer assignment part. Final drafts submitted late are penalized at 10 percentage points (out of 100) for every 24 hours starting right after the deadline. **No extensions** are granted for any reason (illness, computer problems etc.)

Portal Quizzes

Over the years, students have two main difficulties with this course. The first is that our test questions are open ended and the quality of your arguments matter. Clarifying our expectations are difficult as answers can be varied, individual feedback, preferably received before the big test, matters. Second, keeping on top of the readings is hard. A weekly deadline helps more than good intentions and plans. To help with this, I have weekly Portal quizzes which students have found very useful. As the purpose is more feedback, grading will be coarse, unlike exams.

You have a few days after class to complete them. Once you start it you must finish it. This is to prevent you from spending too much time on it, time will be on the quiz. Please keep all your class notes, slides and readings with you when starting the quiz. You should have completed making thorough notes for the week's readings (See [Note-taking](#) by the ASC). **No extensions** are granted for any reason (illness, computer problems etc.) Make sure you start with enough time to finish well before the deadline. Your lowest score will be dropped to accommodate this.

Problem Sets

I will occasionally post ungraded problem sets on Portal. You do not need to hand them in. You are strongly encouraged to work on them. If you have any questions on them please see us during office hours.

Class Participation

Lectures are discussion based and I like to hear from everyone. Technology is an efficient way to aggregate answers. I will occasionally ask you to answer a few in class questions using an online service called [Socrative](#). This will be for *non-graded* class participation. It is a free service. Please download the app on your phone or bring a wireless enabled laptop to class.

Regrade Requests

Requests for re-grades will be accepted in writing up to two weeks after term work is returned. Fill in the regrade request form available on Portal. We will re-read your entire exam so your mark could go up, down or remain unchanged.

COURSE POLICIES

Missed Midterm

To have a makeup count for a missed test you must follow ALL the steps below. If this is an issue that lasts for more than a few days contact your College Registrar immediately. Make-up tests will be scheduled at a date and time chosen by the professor with as little as one business days' notice by email.

Step 1: Send me email that follows the format below:

1. It is sent BEFORE the midterm from your official UofT email address (no gmail etc. email ids).
3. The subject line should be "Eco 324: Fall 2017 Missed Midterm".
4. It explains concisely (less than 100 words) why you are not able to take the exam.
5. It explains what you have done to prepare for the Eco 324 midterm or says that you have not done anything.
6. The email should end with the following sentence exactly as written "I understand that it is a punishable academic offence to present false or misleading information in support of my request for accommodation for missed term work"
7. This sentence should be followed by your FULL NAME and STUDENT NUMBER.

Step 2 (Documentation): Within a week, for short-term illnesses, drop off an original, completed, official UofT [Verification of Student Illness or Injury form](#) at the economics reception in GE. For longer term illnesses or non-medical issues, you must meet with your college registrar and provide them with the appropriate documentation. If they are satisfied, ask them to contact me to ask for special consideration on your behalf.

Step 3: You will get an email within 3 business days of the missed exam with the details of the make-up test.

Step 4: Take the make-up test. As per university policy, there is no "make-up" for the make-up test. You will get zero if you miss the make-up exam.

NOTE: The final decision to accept any excuse lies with me or the undergraduate chair. You may get your grades for the make-up *after* the drop deadline. The format may be different from the class test.

Academic Integrity

Academic Integrity is central to a UofT education. We take it seriously and so should you. When we come up with new ideas we draw on contributions people have made. We must properly acknowledge them. You'd want others to do the same for your work. If you have any questions or need clarifications, please don't hesitate to ask. Better safe than sorry.

We expected you to have read the University of Toronto's [Code of Behavior on Academic Matters](#). Please see: <http://www.artsci.utoronto.ca/osai> for more details. All suspected cases of academic dishonesty will be reported to the Department of Economics and OSAI and the consequences can be severe. Being unaware of the policies or what constitutes plagiarism is, unfortunately, not a defense.

Use of Turnitin

Your writing assignments must be submitted to [Turnitin.com](http://www.turnitin.com). The University policy is:

"Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site".

Resources

Students with diverse learning styles and needs are welcome in this course. Please feel free to approach me or Accessibility Services so we can assist you in achieving academic success in this course.

If you need accessibility services/accommodation please see: <http://www.studentlife.utoronto.ca/as>

Resources to help you at the UofT are listed at: <https://www.studentlife.utoronto.ca/asc>

For course-related issues, please get in touch with me and your College Registrar. For longer run issues or issues outside our course please contact your College Registrar -

<http://www.artsci.utoronto.ca/newstudents/nextsteps/contact>

COURSE TOPICS AND READING LIST

Required readings are marked with an *. **The list is subject to change during the semester.** Please check the Reading list available at: <http://freitas.faculty.economics.utoronto.ca/eco-324/#readinglist> regularly for the latest version. Readings on JSTOR and library articles can be accessed for free if you have a **UofT IP address**. If you are off campus **use VPN**. The library also subscribes to The Economist, WSJ etc. so you don't have to pay for any of those articles as well. All linked readings on this list you should be able to access for free. Copies of the texts are available on course reserves on Robarts. In addition the Ray textbook is available [online via the library](#).

All the material we cover in class, tutorials, textbooks, readings, problem sets and Portal quizzes is considered testable material. All the material in the chapter, including appendices are included unless explicitly excluded. You may have to do additional readings which will be posted during the course.

1. Introduction- Poverty Measurement and Traps

- *Ray: Chapters 1,2, 8.2, 8.3, 8.4.2, 8.4.3
- *Banerjee and Duflo, Chapters 1 and 2
- *Easterly, William R. "[Africa's Poverty Trap](#)." *Wall Street Journal* (2007).
- *Sachs, Jeffrey D. "[Breaking the Poverty Trap](#)." *Scientific American* 297, no. 3 (2007): 40-42.
- Banerjee, A. V., & Duflo, E. (2007). [The economic lives of the poor](#). *The journal of economic perspectives*, 21(1), 141-167.
- Sen, A. (2001). *Development as freedom*. Oxford Paperbacks. [Introduction and Ch 1](#)

2. Health

- *Banerjee and Duflo, Chapter 3
- *Malaney, Pia, Andrew Spielman, and Jeffrey Sachs. "[The malaria gap](#)." *The American journal of tropical medicine and hygiene* 71, no. 2 suppl (2004): 141-146.

3. Education

- *Banerjee and Duflo, Chapter 4
- Hanushek, Eric A., and Ludger Wößmann. "[Education and economic growth](#)." (2010): In: Penelope Peterson, Eva Baker, Barry McGaw, (Editors), *International Encyclopedia of Education*. volume 2, pp. 245-252. Oxford: Elsevier.

- *Duflo, Esther. "[Schooling and labor market consequences of school construction in Indonesia: Evidence from an unusual policy experiment.](#)" *The American Economic Review* 91, no. 4 (2001): 795-813.
 - Udry, Christopher. "[Child Labor](#)" in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. *Understanding poverty*. Oxford University Press, 2006.
4. Fertility
- *Ray Chapter 9
 - *Banerjee and Duflo Chapter 5
 - Schultz, T. Paul. "[Fertility and Income](#)" in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. *Understanding poverty*. Oxford University Press, 2006.
5. Credit
- *Ray Chapter 14
 - *Banerjee and Duflo Chapter 7
 - *Banerjee, Abhijit V., and Esther Duflo. "[Giving Credit Where It Is Due.](#)" *Journal of Economic Perspectives* 24, no. 3 (2010): 61-80.
 - *Banerjee, Abhijit, Dean Karlan, and Jonathan Zinman. "[Six Randomized Evaluations of Microcredit: Introduction and Further Steps.](#)" *American Economic Journal: Applied Economics* 7, no. 1 (2015): 1-21.
 - Aleem, Irfan. "[Imperfect information, screening, and the costs of informal lending: a study of a rural credit market in Pakistan.](#)" *The World Bank Economic Review* (1990): 329-349.
6. Savings
- *Banerjee and Duflo Chapter 8
 - Ashraf, Nava, Dean Karlan, and Wesley Yin. "[Tying Odysseus to the mast: Evidence from a commitment savings product in the Philippines.](#)" *The Quarterly Journal of Economics* (2006): 635-672.
7. Insurance
- *Ray Chapter 15
 - *Banerjee and Duflo Chapter 6
 - Morduch, Jonathan. "[Microinsurance: The Next Revolution?](#)" in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. *Understanding poverty*. Oxford University Press, 2006.
8. Property Rights
- *Udry, Christopher. "[Land tenure.](#)" *The Oxford Companion to the Economics of Africa* 1 (2011).
 - *Woodruff, Christopher. "[Review of de Soto's 'The Mystery of Capital'.](#)" (2001): 1215-1223.
 - Field, Erica, Matthew Levinson, Rohini Pande, and Sujata Visaria. "[Segregation, Rent Control, and Riots: The Economics of Religious Conflict in an Indian City.](#)" *The American Economic Review* (2008): 505-510
9. Corruption
- *Ray Chapter 5 - 5.1, 5.2.1, 5.2.2, 5.5.1
 - Laffont, Jean-Jacques. "[Corruption and Development](#)" in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. *Understanding poverty*. Oxford University Press, 2006.
 - *Fisman, Ray, and Edward Miguel. *Economic gangsters: corruption, violence, and the poverty of nations*. Princeton University Press, 2010.
 - Chapter 1: [Fighting For Economic Development](#)
 - Chapter 4: [Nature or Nurture? Understanding the Culture of Corruption](#)
 - Svensson, Jakob. "[Eight questions about corruption.](#)" *The Journal of Economic Perspectives* 19, no. 3 (2005): 19-42.

COURSE SCHEDULE

Available at: <http://freitas.faculty.economics.utoronto.ca/eco-324/#schedule>. Please check the website for the latest version.