

---

# ECO324H1S L101& L201: Economic Development, Winter 2024

## Prof. Freitas, Department of Economics, University of Toronto

---

Course Website : <https://q.utoronto.ca/courses/339456>

Quercus is our primary means of communication. Adjust your [notification settings](#) so you don't miss important information.

## 1 Course Overview

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 behaviour 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, paying 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.

### 1.1 Learning Objectives

If you successfully complete this course, you will 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 a topic of interest independently and in-depth.

### 1.2 Course Information

- **Meeting times and location**

Section	Class, Location	Tutorial, Location
L101	Tuesdays 11-1pm, SS1085	Wednesdays 11-1pm, GB221
L201	Tuesdays 1-3pm, BL205	Wednesdays 11-1pm, BL205

- **Class:** Class meets on the Tuesdays. I will post slide outlines on Quercus right before class. During class, we will use the slides as a framework to guide our discussions. You will need to supplement them with your own notes, both during and after class, for them to be effective study aids.
- **Tutorials:** We have the Wed slot for tutorials, but will only meet some weeks for tests and activities. The schedule on course homepage.
- **Office Hours** are posted on Quercus: <https://q.utoronto.ca/courses/339456/pages/office-hours-schedule>. You're welcome even if you don't have specific questions. You can listen to other questions and participate in discussions.

- **Contact Information:** [k.freitas@utoronto.ca](mailto:k.freitas@utoronto.ca). Use this email for course problems that need immediate attention (e.g broken links etc.) or for personal problems. For content related questions, please see me during class or office hours. If I can answer your email briefly, I will try to respond to within 3 business days. If you do not get a reply, please check Quercus, the syllabus or drop by office hours.

### 1.3 Prerequisites

A department administrator will drop you from the course if you do not have the required prerequisites. We cannot waive them. We expect you to be comfortable with the content in the prerequisite courses.

<https://artsci.calendar.utoronto.ca/course/eco324h1>

<https://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

### 1.4 Important Dates

Consider all graded work as individual work unless explicitly specified otherwise.

Test	Weight	Due Date
Assignment 1	10%	Friday 02-Feb, 5:00PM
Assignment 2	20%	Friday 15-Mar, 5:00PM
Midterm	30%	Wednesday 28-Feb 11am-1pm
Final Exam	40%	April Final Exam period, TBD by A&S

### 1.5 Required Materials

- **Required Readings:** The complete list is posted on Quercus: <https://q.utoronto.ca/courses/339456/pages/reading-list> and the initial version is in section 2.9. **It will be updated throughout the course on Quercus. Please check it regularly.** For each of the readings marked with an (\*) I will expect you to be able to summarize and critically evaluate the main arguments and results. 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.
  - **Text:** *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, Abhijit Banerjee and Esther Duflo; Public Affairs, 2012.
  - **Topic specific additional articles** are linked on Quercus. JSTOR and other readings linked via the library can be accessed for free if you have a UofT IP address. If you are off campus use [VPN](#).
  - All content covered in class, textbook, readings and ungraded problem sets are testable material. All materials in the readings are included unless explicitly excluded.

## 2 Course Structure and Evaluation

- Discussion is an important element of the course. However, a free and productive discussion will not happen if people feel judged or uncomfortable, for any reason. [Making mistakes is the best way to learn](#). They are valuable learning opportunities, especially during group discussions. We need you to help us create a safe and welcoming atmosphere where we all learn together. Be kind and treat people the way you'd like to be treated. Everyone is welcome in our class.
- **Regrades:** Regrade requests for the midterm and assignments are to be made via an MS form available on Quercus in the Tests and Assignments Module. It will open one week after any midterm is handed back and closes a week after that. Requests will only be accepted during that period, not before or after and they will be batch processed after the deadline. We will re-read your entire assessment so your mark could go up, down or remain unchanged.

---

## 2.1 Tests: Midterms and Final

- Details on the midterm and final, including format and coverage will be posted on Quercus before the test. The final is **cumulative** and will cover all course material.
- Attending class and critically engaging with the material is the best ways to prepare for tests.

## 2.2 Assignments

- There will be **two, individual** assignments for this class. Further details will be provided on Quercus. The goal is to apply course concepts and explore more in depth, a development topic of interest to you and develop your communication skills. We will have (optional) group work to build in opportunities for you to give and receive feedback from your classmates before the due date. They will be held during the tutorial slot. Dates are on the course homepage in Quercus.
- **Late penalty:** 10% of the total mark for the assignment will be applied per 24-hours (including weekend and holidays) after the deadline. No extensions are granted for any reason (illness, computer problems etc.)

## 2.3 Missed Midterms or Final

For ongoing any injury, illness, or personal/family problems that last longer than 5 days you must contact your College Registrar immediately <https://future.utoronto.ca/current-students/registrars/>.

Tests are important not just because they are an assessment of your knowledge, but because they give you feedback on your understanding of course concepts. We have two midterms so that one test doesn't count for too much of your grade. You have time to adjust your study strategies and fix conceptual errors along the way if needed.

- Any missed test gets a grade of zero.
- If you miss a midterm, you need to (1) submit a request to take a make-up via the MS forms on Quercus and (2) provide documentation. There are two options for documentation. The university policy on student absences is here: <https://www.artsci.utoronto.ca/current/academics/student-absences>
  - A:** Complete an Absence Declaration on ACORN.
    - Put the course email when asked for instructor email: [k.freitas@utoronto.ca](mailto:k.freitas@utoronto.ca).
    - Upload a copy/screenshot of your absence declaration that includes your name on the MS form.
    - See: <https://help.acorn.utoronto.ca/blog/ufaqs/how-do-i-declare-an-absence/>.
  - B:** If you have used your Absence Declaration for the semester, you must have a medical doctor complete a [UofT Verification of Illness Form](#).
    - Form FAQ here: <http://www.illnessverification.utoronto.ca/Frequently-Asked-Questions.php> .
    - Upload a copy on the MS form at submission time.
    - Within a week of the test, you will need to submit the original form to the economics reception in [GE \(Max Gluskin\)](#).
- The midterm make-up may be held early in the morning (e.g. 7:00am) to avoid conflicts with other courses.
- As per university policy, there is no make-up for the make-up test. You will get zero if you miss the make-up. If you miss the make-up, or miss two midterms, please contact your registrar and you should think about dropping the course.
- The final decision to accept any make-up midterm request lies with me or the undergraduate chair. You may get your grades for the make-up after the drop deadline. The format may differ from the class test and could include an oral test component.

**Final:** A&S deals with missed final exams. See [http://calendar.artsci.utoronto.ca/Rules\\_&\\_Regulations.html](http://calendar.artsci.utoronto.ca/Rules_&_Regulations.html)

We may require you to submit your term work to the university's plagiarism detection tool.

*“Normally, students will be required to submit their course essays to the University’s plagiarism detection tool 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 tool’s reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).”*

---

We are using Crowdmark for term work.

*“This course will use Crowdmark, a collaborative online grading tool for marking and providing feedback on graded term assessments. Crowdmark provides efficiencies with grading, data recording, returning term assessments and handling regrade requests. Copies of student work marked in Crowdmark, including grading and feedback, will be available online to students for at least one year. Digital (i.e., online) copies will serve as the authoritative record for course administrative purposes, and paper copies of assessments scanned and uploaded to Crowdmark will be destroyed after the term has ended and final grades are approved. If you have questions about how your information is stored on Crowdmark, please contact your course instructor.”*

## 2.4 Privacy

We are all expected to respect university privacy and copyright restrictions in this course.

Some elements of this course, including your participation, may be recorded on video and will be available to students in the course for viewing remotely. For questions about recording and use of videos in which you appear, please contact me.

**Students may not create their own recordings of any course events (e.g. workshops, tutorials and office hours).** If you require an accommodation for a disability, please speak to me first. Students creating unauthorized audio recording of in-person time violate an instructor’s intellectual property rights and the Canadian Copyright Act. Students violating this agreement will be subject to disciplinary actions under the Code of Student Conduct.

Course materials, including content videos, belong to your instructor, the University, and/or other sources depending on the specific facts of each situation, and are protected by copyright. Do not download, copy, or share any course or student materials without the explicit permission of the instructor.

## 2.5 Academic Integrity

Academic Integrity is central to an UofT education. We will do our best to maintain the integrity of the learning experience. Sometimes you may feel like taking shortcuts because you are don’t understand the material, are stressed or overworked, don’t have time, not doing well, etc. Please don’t do it. We report all suspected cases of academic dishonesty to the Department of Economics and SAI. The consequences can be very severe. It is not worth it. If you need help see section 2.6

- **Do your own work.** We design course work to develop and assess skills useful in upper-level courses and the job market. You lose a valuable opportunity to develop these skills and lower the value of the UofT brand when you cheat.
- **Properly acknowledge other people’s ideas.** You’d want the same for your ideas.
- **Ask if you’re unsure.** Unless explicitly told otherwise, assume that all work is **individual work**. Unless explicitly allowed, you cannot discuss any graded work before the due date with anyone—this includes classmates, attending review sessions, friends, family, tutors (paid or unpaid), neighbours, literally anyone. Checking websites for answers, posting your work for others to use, collaborating, soliciting/receiving answers, stating false or misleading information related to assessments, etc., are examples of actions violate Academic Integrity. Unintentional mistakes or confusion is not a defence.
- **Report** any suspected violations by other students to the professor immediately. Students who cheat hurt others who work hard and honestly. Maintaining the Academic Integrity of the course is a shared responsibility; do your part.
- Read the University of Toronto’s **Code of Behaviour on Academic Matters**. This is especially important if you’re new to the UofT. See: <http://www.artsci.utoronto.ca/osai>.
- The use of **generative artificial intelligence tools** or apps for assignments in this course, including tools like ChatGPT and other AI writing or coding assistants, **is prohibited, unless explicitly stated otherwise** by the instructor in this course. The knowing use of an unauthorized generative artificial intelligence tools, including ChatGPT and other AI writing and coding assistants, for the completion of, or to support the completion of, an examination, term test, assignment, or any other form of academic assessment, will be considered an academic offense in this course.

Why did I adopt this policy?

- 
- I understand these tools make our work easier, but we are working on skills that require the deep understanding that only comes when you struggle with the concepts yourself. For example, you need to have a deep understanding of basic arithmetic operations like addition, multiplication, etc. developed in school to do the more difficult math. Once you're doing more conceptual, higher-level math, the grunt work like basic calculations can be done by a calculator. But you cannot do higher-level math with a shaky foundation in basic arithmetic. The same applies for economics. If you take shortcuts now when building your foundational knowledge, you cannot do high quality analysis later.
  - Generative AI is a word predictor based on data it is trained on. It makes mistakes, sometimes catastrophic ones. This is not a calculator that follows rules. You can only catch these mistakes when, later on, you outsource some tasks to it, if you have a deep understanding of the fundamentals we are building in this course. If you take shortcuts now, you won't be able to effectively use generative AI as a complement, later on.
  - Finally, do not become a substitute to generative AI. If what you do can be outsourced to AI, why should an employer hire you? AI generates material based on everything already out there. Using your experience and knowledge makes you a better, more creative economist who can bring something new to the workplace. That is where your comparative advantage lies. Don't waste any opportunity to work on those skills.

## 2.6 Need Help?

While it may feel like you're the only one struggling, it is not true. Trust me. Instead of trying to figure out things yourself, reach out right away. Help is available. Don't wait till things get to a crisis point.

### 2.6.1 Difficulties with course concepts

Sometimes being able to talk through conceptual difficulties with a person is the best way to understand the material. You have a few options here.

- Our office hours. **Please check Quercus for the latest schedule.**
- Study groups. You can form your own by connecting with classmates during class or office hours.

### 2.6.2 Longer-term issues that affect multiple courses

For issues that last more than a few days or affect your performance across many courses, [your registrar](#) can help. They can also advise you on course selections, university regulations, and connect you with university resources. They are important partners in our course and we rely on their expertise. We strongly recommend getting to know your advisor. An established relationship helps defuse problems before they reach a crisis point.

### 2.6.3 Other issues

- [Mental Health Resources](#) at the UofT. Please don't wait until you are in a crisis. University is difficult and sometimes we all need a little help. Please reach out and talk to someone. If you're unsure where to start, two good places are the [Telus Health Student Support](#) app (linked in Quercus on the left-hand tab) and [your registrar](#).
- You can also reach out to learning strategists in the [Academic Success Centre](#) or in the [Rotman Commerce office](#). They can help with effective study habits or time management strategies.

## 2.7 Accommodations

If you need accessibility accommodations, please register with [Accessibility Services](#) (AS). If you need testing accommodations (e.g. extra time on a timed quiz) please register with [Accommodated Testing Services \(ATS\)](#) (formerly TES) and they will send us the testing accommodations directly. Contact your accessibility advisor if you have questions about how to do this. Every student is different and we rely on the expertise in AS and ATS to determine what is most appropriate for you. We work hard to ensure your needs are met.

We will also try to arrange for reasonable accommodation of the needs of students who observe religious holy days other than those already accommodated by ordinary scheduling and statutory holidays. Please reach out to use as soon as possible when you notice a conflict.

---

## 2.8 Course Schedule

The course schedule of topics covered by week, including important dates, is on the Quercus homepage.

## 2.9 Reading List

The initial reading list below is on Quercus with links to the non-Poor Economics readings accessible through the library. See: <https://q.utoronto.ca/courses/339456/pages/reading-list>. **Please check Quercus for the updated list regularly.**

### W1: Introduction and Poverty

- (\*) Poor Economics, Chapter 1
- (\*) Deaton, A. Measuring Poverty in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. Understanding poverty. Oxford University Press, 2006.
- Introduction and Ch 1 from Sen, Amartya. Development as Freedom. Oxford: Oxford University Press, 2001.
- Sections 8.2, 8.3, 8.4.2, 8.4.3 in Development Economics by Debraj Ray, Princeton University Press, 1998.
- Buera, Francisco J., Joseph P. Kaboski, and Robert M. Townsend. "From Micro to Macro Development." Journal of Economic Literature 61, no. 2 (2023): 471-503.

### W2: Poverty Traps

- (\*) Poor Economics, Chapter 2
- (\*) Easterly, William R. "Africa's Poverty Trap." The Wall Street Journal Asia, Mar 27, 2007.
- (\*) Sachs, Jeffrey D. "Breaking the Poverty Trap." Scientific American 297, no. 3 (2007): 40-42.
- Banerjee, Abhijit, Esther Duflo, and Garima Sharma. "Long-term effects of the targeting the ultra poor program." American Economic Review: Insights 3, no. 4 (2021): 471-486.

### W3: Health

- (\*) Poor Economics, 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.
- Walker, M, A H Huang, S Asman, S J Baird, L Fernald, J H Hicks, F H de la Guardia, S Koiso, M Kremer, M N Krupoff, M Layvant, E Ochieng, P Suri, E Miguel "Intergenerational Child Mortality Impacts of Deworming: Experimental Evidence from Two Decades of the Kenya Life Panel Survey." NBER Working Paper No. 31162, (2023).

### W4&5: Education

- (\*) Poor Economics, 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.

### W6: Fertility

- 
- (\*) Poor Economics, Chapter 5
  - (\*) Schultz, T. Paul. "Fertility and Income " in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. Understanding poverty. Oxford University Press, 2006.
  - Doepke, Matthias, Anne Hannusch, Fabian Kindermann, and Michèle Tertilt. "The Economics of Fertility: A New Era." In Handbook of the Economics of the Family, vol. 1, no. 1, pp. 151-254. North-Holland, 2023.

#### **W7&8: Credit**

- (\*) Poor Economics, Chapter 7
- (For help with the equations done in class) Chapter 14 in Development Economics by Debraj Ray, Princeton University Press, 1998.
- 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.

#### **W9: Savings**

- (\*) Poor Economics, 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.

#### **W10: Insurance**

- (\*) Poor Economics, Chapter 6 Chapter 15 in Development Economics by Debraj Ray, Princeton University Press, 1998.
- Morduch, Jonathan. "Microinsurance: The Next Revolution?" in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. Understanding poverty. Oxford University Press, 2006.

#### **W11: Property Rights**

- (\*) Udry, Christopher. "Land tenure." The Oxford Companion to the Economics of Africa. Oxford University Press, (2011).
- (\*) Woodruff, Christopher. "Review of de Soto's" The Mystery of Capital". Journal of Economic Literature, 39, no. 4 (2001): 1215-1223.

#### **W12: Corruption**

- (\*) Chapters 1 and 4 in Fisman, Ray, and Edward Miguel. Economic gangsters: corruption, violence, and the poverty of nations. Princeton University Press, 2010.
- (\*) Svensson, Jakob. "Eight questions about corruption." The Journal of Economic Perspectives 19, no. 3 (2005): 19-42.
- Laffont, Jean-Jacques. "Corruption and Development " in Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee, eds. Understanding poverty. Oxford University Press, 2006.