



Faculté des sciences sociales | Faculty of Social Sciences
Département de science économique | Department of Economics

Development Economics II ECO6171
Winter Term 2024

Course Information

Class Schedule:

TUES 08:30 - 11:20
120 University (FSS) 9003

In Person

Instructor Information:

Name: Abel Brodeur

Email: abrodeur@UOTTAWA.CA

Office Hours: TUES 1 – 2:30PM (In Person), my office is on the 9th floor in the FSS.

Communication Preferences: Email

Call Me: Abel

Short Bio: See my webpage for an overview of my research: <https://sites.google.com/site/abelbrodeur/>.
I like empirical research (i.e., data).

Before emailing a question, please *fully* read this syllabus and explore the associated resources. The answers to many questions can be found in this document and students may be referred to the syllabus if the answer is already available. Please allow at least two **(2) business days** for responses to inquiries before pursuing another route of communication.

Official Course Description

This course focuses on a selection of topics currently at the frontier of research in development economics. Possible topics include poverty and income distribution, labour markets, financial markets, and education, among others.

Course Learning Outcomes

This course will cover the major econometric techniques used by development economists. At the end of the course, you should have a good idea of research questions and the most relevant methods to answer research questions in development economics.

Required Materials

No textbook for this course. Scientific articles can be downloaded on and off campus:
<https://www.uottawa.ca/library/services/connect-campus>.

If you feel like it, here is a short list of great books on development economics:

Understanding Poverty, A. Banerjee, R. Benabou and D. Mookherjee, Editeurs, Oxford University Press, March 2006.

Development Economics, Debraj Ray, New York University. March 2007.

The Great Escape: Health, Wealth, and the Origins of Inequality, Angus Deaton, Princeton University Press, 2013.

Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty, A. Banerjee and E. Duflo, April 2011.

Assessment Strategy

	Weight	Date
Midterm exam	30 %	Feb 13th
Presentation	10 %	After midterm
Reproductions	10 %	After midterm
Data exercises	15%	Feb 3rd and Feb 24th
Final exam	35 %	

Exams and other assignments are In Person.

Assessment Policies and Expectations

Attendance

No marks for attendance.

EIN (fail) Grading Policy

In all economics courses, students who fail to complete work (either a single piece of work or a combination of work) worth a total of 25% or more of the final grade will receive a grade of EIN in the course. The EIN grade is equivalent to a failure mark (F). See Regulation A-3 (<https://www.uottawa.ca/about-us/policies-regulations/academic-regulations/a-3-grading-system>) for details. Please note that a denied request for a deferral may therefore lead to failing the course.

Missed exams and requests for deferral

As per [Academic Regulation A-8](#), absence from any examination or test, or late submission of assignments must be reported by submitting the online [Declaration of Absence from an Evaluation](#) form within five (5) working days of the examination date or the assignment deadline. It is not required to attach a justification or medical certificate to the form for a first absence from an evaluation in a course. Students can request a maximum of one deferred evaluation per course under this policy, and this evaluation must take place as soon as possible, within six (6) months of the end of the term. Evaluation for graduate students must occur as soon as possible, within three (3) months of the end of the term.

Students whose request is approved for deferring the midterm will be facing a reweighting:

Final exam 60% instead of 35%

First data exercise 10% instead of 5%.

Deferred final examinations will take place on **Friday, May 10, 2024**.

Students should reflect deeply before requesting a deferred evaluation, since they can only receive one deferral per course. Students who are struggling to keep up with their schedule may find it worthwhile to withdraw from the course and take it again at a later date. In Winter 2024, the deadline to withdraw from this course (without financial reimbursement) is March 22nd. For further information on withdrawing from the course, consult the link <https://www.uottawa.ca/course-enrolment/withdrawing-from-a-course>.

Exam conflicts

Any conflict with a midterm exam schedule should be reported to the Professor at the beginning of the term. This request is especially applicable to the type 3 conflict (two in-class exams back-to-back) for students with special learning needs.

Any conflict with a final exam schedule should be reported to the Faculty's undergraduate office as soon as the final examination schedule is released.

Late Assignments

All assignments are to be submitted by their due date and time.

All late submissions will be immediately docked 5%, with an additional 5% for each subsequent day late to a maximum of 3 days, *including weekends*. **After 3 days all outstanding assignments will be given a zero (0%) grade.**

Please note that the final exam for this course will be an in-class exam and it will be held during the exam schedule.

Course Calendar

1. Introduction (January 9th)

Angrist, J. D., and J.-S. Pischke. Mostly Harmless Econometrics: An Empiricist's Companion. Princeton university press, 2008.

Knittel, C. R. and K. Metaxoglou, 2016. "Working with Data: Two Empiricists' Experience" Journal of Econometric Methods (Practitioner's Corner): 1-12.

Ogura, L. M. 2010. "Template-Based Introductory Guide to LaTeX for Economics," Grand Valley State University.

Quick Stata Guide, Liz Foster: <http://www.princeton.edu/wwac/academic-review/stata/>

2. Program evaluation (January 16th)

Angrist, J. D., and J.-S. Pischke. Mostly Harmless Econometrics: An Empiricist's Companion. Princeton university press, 2008.

Duflo, E., R. Glennerster and M. Kremer, 2008. "Using Randomization in Development Economics Research: A Toolkit," Handbook of Development Economics, Elsevier.

Ravallion, M, 2001. "The Mystery of the Vanishing Benefits: An Introduction to Impact Evaluation," World Bank Economic Review, 15(1), 115-40.

3. Randomized Control Trial: Human Capital Health (January 23rd)

Burtless, G., 1995. "The Case for Randomized Field Trials in Economic and Policy Research," Journal of Economic Perspectives, 9.2: 63-84.

Crépon, B., E. Duflo, M. Gurgand, R. Rathelot, and P. Zamora, 2013. "Do Labor Market Policies Have Displacement Effects? Evidence from a Clustered Randomized Experiment," Quarterly journal of economics, 128.2: 531-580.

Duflo, E., R. Glennerster and M. Kremer, 2008. "Using Randomization in Development Economics Research: A Toolkit," Handbook of Development Economics, Elsevier.

Kling, J. R., J. B. Liebman, and L. F. Katz, 2007. "Experimental Analysis of Neighborhood Effects," Econometrica, 75(1): 83-119.

Miguel, E., and M. Kremer, 2004. "Worms: identifying impacts on education and health in the presence of treatment externalities," Econometrica, 72.1: 159-217.

4. Regression Discontinuity Design: Institutions: Role of History (January 30th)

Angrist, J. D., and V. Lavy, 1999. "Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement," *Quarterly Journal of Economics*, 114(2): 533-575.

Dell, M., 2010. "The Persistent Effects of Peru's Mining Mita," *Econometrica*, 78(6): 1863-1903.

Hahn, J., P. Todd, and W. Van der Klaauw, 2001. "Identification and Estimation of Treatment Effects with a Regression-Discontinuity Design," *Econometrica*, 69(1): 201-209.

Imbens, G. W., and T. Lemieux, 2008. "Regression Discontinuity Designs: A Guide to Practice," *Journal of Econometrics*, 142(2): 615-635.

Lee, D. S., and T. Lemieux, 2010. "Regression Discontinuity Designs in Economics," *Journal of Economic Literature*, 48: 281-355.

5. Instrumental Variable: Institutions: Role of History (February 6th)

Angrist, J. D., and A. B. Krueger, 2001. "Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments," *Journal of Economic Perspectives*, 15(4): 69-85.

Angrist, J. D., 1990. "Lifetime Earnings and the Vietnam Era Draft Lottery: Evidence from Social Security Administrative Records," *American Economic Review*, 80(3): 313-336.

Angrist, J. D., and A. B. Krueger, 1991. "Does Compulsory School Attendance Affect Schooling and Earnings?," *Quarterly Journal of Economics*, 106(4): 979-1014.

Bound, J., D. A. Jaeger and R. M. Baker, 1995. "Problems with Instrumental Variables Estimation when the Correlation between the Instruments and the Endogenous Explanatory Variable Is Weak," *Journal of the American Statistical Association*, 90(430): 443-450.

Midterm exam: February 13th

6. Differences-in-Differences: Human Capital Education (February 27th)

Bertrand, M., E. Duflo, and S. Mullainathan, 2004. "How Much Should We Trust Differences-in-Differences Estimates?," *Quarterly Journal of Economics*, 119(1): 249-275.

Card, D. and A. B. Krueger, 1994. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," *American Economic Review*, 84.(4): 772-793.

Duflo, E., 2001. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91(4): 795-813.

7. Studies in *Journal of Development Economics* (March 5, 12, 19 and 26th and April 2nd)

- a. Presentations
- b. Reproductions

Data Exercise #1

Objectives:

- Use statistical software

Task:

- Run a wage regression using Stata

The purpose of this data exercise is to help you discover the statistical software Stata. You need to submit your preferred estimate (and do-file that generates it) for a weekly earnings function that has as regressors: Education, marital status, age, gender and province.

This exercise will use one quarter from the General Household Survey 2019 South Africa. Use the person file (zaf-statssa-ghs-2019-person-v1). I will explain you in class how to download it. You also need to provide a short paper in which you copy paste your regression output. The short paper should include only the table. No need to describe your results.

The data exercise is due on February 3rd.

The mark breakdown for the data exercise will be as follows:

Text (Clarity/Organization/Style)	/0
Results and do-file	/5

You should do this without consulting other class members! Plagiarism is a serious offence and will not be tolerated!!!!

Data exercise #2

Objectives:

- Use statistical software

Tasks:

- Run OLS and IV regressions using Stata
- Download GDP data

Instructions:

Read the article "THE LONG-TERM EFFECTS OF AFRICA'S SLAVE TRADES": https://scholar.harvard.edu/files/nunn/files/empirical_slavery.pdf. We will discuss this article in class.

I will provide you with two data files. The file "Slave exports" includes slave traded per country (in person). The variables provided are in log per capita and per geographical area. The file "control variables" includes the control variables. You are missing the dependent variable" log of GDP per capita for any year from 2000 to 2020. You have to find this variable online (e.g., World Bank).

You have to (i) merge the two data files, (ii) find the GDP data, (iii) merge the GDP data with other data sets, (iv) read the article to make sure you understand the regressions, (v) run the regression following equation from the paper:

$$(1) \ln y = \beta_0 + \beta_1 \ln(\text{exports} / \text{area}) + C' \delta + X' \gamma + \varepsilon$$

See Table 3, column 5 for the control variables to be included in your regressions. Do not forget to include colonizer fixed effects.

Then run the 2SLS (IV) regression using the instruments included in the article. Use `ivreg` or `ivreg2` in stata for the instrumental variable estimation.

You need to send me your do-file and your regressions output in word/pdf.

The data exercise is due on February 24th.

The mark breakdown for the data exercise will be as follows:

Text (Clarity/Organization/Style) /0

Results and do-file /10

You should do this without consulting other class members! Plagiarism is a serious offence and will not be tolerated!!!!

PRESENTATION and REPRODUCTIONS

Tasks and objectives:

- Read scientific articles
- Prepare a presentation
- Run codes of other researchers

For the presentation:

- 1- Choose an article in the list provided in class.
- 2- Send me the title of the article selected by email.

I will provide detailed information about the presentation in class after the midterm exam.

Structure: (10 minutes)

Intro : 2 minutes (1 slide)

Literature review: less than 1 minute (1 slide)

Conceptual framework: 2 minutes (1 slide). Discuss mechanisms or RCT or IV, etc.

Database and descriptive statistics: 1 minute (1 slide, or 2 slides for RCT if showing randomization worked).

Identification strategy: 1 minute (1 slide).

Results: 3 minutes (2 slides).

Conclusion: 0 minute.

Reproductions:

More information on reproductions will be given just before the midterm. Each student will have to make two reproductions of articles. I will propose articles to be reproduced.

Objectives include reproducing numerical results from published studies and familiarizing students with econometric techniques used by economists.

Students will be expected to (i) read published studies, (ii) become familiar with the authors' reproduction package (stata), (iii) run the codes, and (iv) reproduce the numerical results of the studies. Students will need to identify the key results of the studies and find where these are calculated in the do-file. Students will receive a guide and a platform to perform the reproductions.

The distribution of scores for reproductions is 5 per reproduction.

Intellectual Property Rights of Course Content

If you would like clarification regarding the intellectual property right of course content, please visit the [Copyright Office webpage](#) or consult your professor.

Institutional Policies and Academic Regulations

It is very important to know the institutional policies and academic regulations associated with your academic success. This information is available on the Faculty of Social Sciences website, on the [Student Hub webpage](#) under the “Institutional policies and academic regulations” tab.

Academic Fraud Regulations

If you would like clarification regarding academic integrity and misconduct, please consult [Academic Regulation A-4](#) or consult your professor.

Regulations on bilingualism at the University of Ottawa

Per [Academic Regulation A-1](#) : « Except in programs and courses for which language is a requirement, all students have the right to produce their written work and to answer examination questions in the official language of their choice, regardless of the course’s language of instruction. »