

Middle East Technical University
Faculty of Economic and Administrative Sciences
Department of Economics
Econ 510, 2003-2004, Wednesdays 14.40-17.30
Room F-107 Groups 1 and 2 will meet for two-hour and one-hour sessions at alternate weeks.
Fikret Şenses
Office F-205
Telephone: 210 2023
E-Mail: fsenses@metu.edu.tr

OUTLINE

OBJECTIVES:

The course has three main objectives:

I) The first objective of the course is to increase student knowledge and understanding of the Turkish economy. A supplementary objective in this regard is to give students a development economics perspective. Students will also be encouraged to draw on material from other countries to gain a comparative perspective. To give students with different backgrounds a good start, there will at the beginning be a short reading time from three basic texts of the Turkish economy. These are:

- a) Yahya S. Tezel (1994), *Cumhuriyet Döneminin İktisadi Tarihi, 1923-1950*, Tarih Vakfı Yurt Yayınları, Üçüncü Basım, İstanbul.
- b) Korkut Boratav, *Türkiye İktisat Tarihi 1908-2002*, 7.Baskı İmge, 2003.
- c) G. Kazgan (2002), *Tanzimattan 21. Yüzyıla Türkiye Ekonomisi*. İstanbul: İstanbul Bilgi Üniversitesi Yayınları.

At the end of this reading period, students will take a ninety-minute examination on this reading material. The emphasis in the examination will be on testing student's understanding of the linkages between different events as well as on testing their memory on specific developments. This examination will take place at 4.00 PM, on Wednesday, 30 March in Room F-107.

After this preliminary examination, there will be a total of five sessions, two of which on a general discussion of two different periods of the Turkish economy: The period before 1980 and the period after 1980. The remaining three sessions will be on three selected issues. These are: i) Trade and industrialization ii) Globalization and Economic Crises and iii) Labor Markets, Poverty, and Income Distribution

II) The second objective of the course is increasing students' research ability and skills in academic essay-writing. For this purpose, students are required to prepare a research paper on an approved subject of approximately 10 pages long. Students will meet with the instructor on Wednesday 9 March and Thursday 10 March on an individual basis to finalize their paper topics. The papers are expected to tackle an appropriate research question and are expected to have an empirical and a sound analytical content. With the objective of increased student

cooperation, students are encouraged to work in groups of two or three. In the written part of their essays, however, they are required to indicate the parts that they are primarily responsible.

In addition, students will be responsible for writing a session paper which summarizes the material for the session in question, proposes discussion questions, and attempts to bring new perspectives to the literature. Students are also required to prepare abstracts for two papers (not from the sessions for which they are responsible) and prepare research questions on the basis of two other papers (again not from sessions for which they are responsible and **not** from papers they are preparing their abstracts). Students are expected to write a survey article (about 8-10 pages long) on the material covered in one of the sessions, other than the ones for which they are session leaders or commentators. Finally, students are expected to act as rapporteur, reporting (one page report) on the main conclusions of the preceding session.

III) The third main objective of the course is to enhance student ability to make effective presentations and take an active part in class discussion. Students will present their session paper (up to 30 minutes), their research paper (approx.20 minutes), will act as commentators (5-10 minutes) on two occasions, and present their reports as rapporteur (approx.5 minutes). It is therefore essential that students attend all sessions on a regular basis. One hour sessions will take the first article in each session (plus the report on previous session), 2 hour sessions will take the rest of the session material as the basis for discussion for each group.

PROGRAM

Tuesday, 24 February: INTRODUCTION

Tuesday, 2 March: PRELIMINARIES (Division of Labor)

Tuesday 9 March: Meeting with the instructor on an individual basis to finalize paper topics (Group 1)

Thursday 11 March: Meeting with students on an individual basis to finalize paper topics (Group 2)

Tuesday 23 March: One-hour examination on Kazgan (2002) Chapters 5-6, pp.121-88, Tezel (1994), Chapters 2-7, pp. 97-227, and Boratav (2003), 19-199.

SESSION 1: TURKISH ECONOMY BEFORE 1980 (HIGHLIGHTS)

30 March (Group 1), 6 April (Group 2)

1-1 Irma Adelman (2000), Fifty Years of Economic Development: What have we Learned? (mimeo). www.worldbank.org/research/abcde/eu_2000/pdf/adelman.pdf

1-2 UNCTAD, Trade and Development Report, Overview- I-XII. Geneva:UNCTAD, http://www.unctad.org/en/docs//TDR2003_EN.PDF

I- 3 Işık Özel (2000), An Evaluation of the Economic Performance of Turkey in the 1930s Based on Late-Ottoman Economy, *New Perspectives on Turkey*, 23, Fall, 125-46.

1-4 Vedat Milor (1990), The Genesis of Planning in Turkey, *New Perspectives on Turkey*, 4, Fall, 1-30.

1- 5 Henri Barkey (1990), *The State and the Industrialization Crisis in Turkey*, Westview Press, Chapters 3-5, pp.39-107.

SESSION 2: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS)

April 13 (Group 1) and April 20 (Group 2)

2-1 Rodrik, Dani and Subramanian, Arvind (2004), From Hindu Growth to Productivity Surge, The Mystery of the Indian Growth Transition, <http://ksghome.harvard.edu/~drodrik.academic.ksg/Indiapaperdraftfeb24.pdf>

2-2 Ziya Öniş, “The Dynamics of Export-Oriented Growth in a Second Generation NIC: Perspectives on the Turkish Case, 1980-90” in Z. Öniş (ed), *State and Market The Political Economy of Turkey in Comparative Perspective*, Boğaziçi University Press, 1998, 285-303.

2- 3. John Waterbury (1992), Export-Led Growth and the Center-Right Coalition in Turkey, in T.F. Nas and M. Odekon, *Economics and Politics of Turkish Liberalization*, Lehigh University Press, London, pp, 44-72.

2- 4 Ahmet. H. Köse and Erinç Yeldan (1998), Turkish Economy in the 1990s: An Assessment of Fiscal Policies, Labor Markets and Foreign Trade, *New Perspectives on Turkey*, 18, 51-78.

SESSION 3: TRADE AND INDUSTRIALIZATION

April 27 (Group 1) and 4 May (Group 2)

3-1 M. Shafaeddin (1998), How Did Developed Countries Industrialize? The History of Trade and Industrial Policy: The Cases of Great Britain and the USA, UNCTAD Discussion Papers, No. 139

3-2 Alan M. Taylor (1998), On the Costs of Inward-Looking Development: Price Distortions, Growth, and Divergence in Latin America, *The Journal of Economic History*, 58, No. 1

3-3 Merih Celasun (1994), Trade and Industrialization in Turkey, Initial Conditions, Policy and Performance in the 1980s, in G.K. Helleiner, *Trade Policy and Industrialization in Turbulent Times*, Routledge, London and New York, pp. 453-484.

3-4 Ziya Öniş, The East Asian Model of Development and the Turkish Case, A Comparative Analysis, in *State and Market The Political Economy of Turkey in Comparative Perspective*,

Boğaziçi University Press (reprinted from METU Studies in Development, Vol.19. No.4 (1992: 495-528), 1998, pp.261-284.

SESSION 4: GLOBALIZATION AND ECONOMIC CRISIS

May 11 (Group 1) and May 18 (Group 2)

4- 1 A. Kleinknecht and J. ter Wengel (1998), The Myth of Economic Globalization, *Cambridge Journal of Economics*, 22, 637-47.

4-2 James H. Chan-Lee (1998), Tax Reform in Turkey since the 1980s, *Yapı Kredi Review*, 9 (1), pp. 43-60.

4-3 Ziya Öniş, Domestic Politics versus Global Dynamics: Towards a Political Economy of the 2000 and 2001 Financial Crises in Turkey, *Turkish Studies*, 4-2 (forthcoming)

4-4 World Bank (2003), Turkey-Country Economic Memorandum-Towards Macroeconomic Stability and Sustained Growth-Summary Report, pp: 1-46.

www-

wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/08/20/000160016_20030820161646/Rendered/PDF/263010TR0CEM.pdf

SESSION 5 LABOR MARKET, POVERTY AND INCOME DISTRIBUTION

May 25 (Both Groups together)

5- 1 J.G. Williamson (1997), Globalization and Inequality, Past and Present, *The World Bank research Observer*, 12, 2, pp. 117-35.

5-2 World Bank, *Turkey- Economic Reforms, Living Standards and Social Welfare Study*, Report No. 20029-TU, Poverty Reduction and Economic Management Unit Europe and Central Asia Region, World Bank: Washington D.C, 2000.

5-3 Özlem Onaran (2000), Labor Market Flexibility during Structural Adjustment in Turkey, İstanbul Technical University, Discussion Papers in Management Engineering, No: 00/1, İstanbul.

5-4 Şenses, F. 2003. "Economic Crisis as an Instigator of Distributional Conflict: The Turkish Case in 2000-2001". *Turkish Studies*, Vol.4, No.2 ,92-119; reprinted in *The Turkish Economy in Crisis*, (edited by Ziya Öniş and Barry Rubin), Frank Cass, London, 2003, 92-119.

Paper presentations will take place on Thursday 17 June (1.00 PM-5.00 PM) and Friday 18 June (9.30-12.30).

Students are expected to

- i) carefully read the course material for each session.

- ii) send their session papers to **all** participants by the preceding Friday evening at the latest. (hard copy for the instructor!, please)
- iii) submit all other written work (session papers, research questions, abstracts, reports) to the instructor (hard copy please) by the Friday evening before the relevant session. These will be returned to you (with comments) on the following Tuesday.

GRADING:	Paper Abstracts:	2 points
	Research Questions	5 points
	Paper 1 (analytical)	15 points
	Paper 2 (survey)	8 points
	Paper presentation	5 points
	Session Paper	5 points
	Session presentation	5 points
	Rapporteur	5 points
	Commentator Performance	10 points
	Midterm Examination+	10 points
Final Examination *	20 points	
Class participation	10 points	

+ on Tezel (1994), Boratav (2003) and Kazgan (2002).

*on all 5 sessions

Good Luck

Important Dates

Friday 26 March, 7.00 PM. Submission of Introduction of Paper 2 (approx. 2 pages).Group 1.

Friday 2 April, 7.00 PM. Submission of Introduction of Paper 2 (approx. 2 pages).Group 2.

Friday 28 May, 7.00 PM. Submission of Paper 1 (Both groups)

Tuesday 15 June, 7.00 PM Submission of Paper 2

Thursday 17 June 2.00-5.00 PM Paper Presentations (I)

Thursday 18 June 9.30-12.30 Paper Presentations (II)