

Middle East Technical University
Faculty of Economic and Administrative Sciences
Department of Economics 2004-2005
Econ 510 Fikret Şenses
Office F-205
Telephone: 210 2023
E-Mail: fsenses@metu.edu.tr
Wednesdays 14.40-17.30
Room F-107
Groups 1 and 2 will meet for two-hour and one-hour sessions at alternate weeks.
Office Hours: Mondays 12.40-13.30; Wednesdays 10.40-11.30.

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 **5.00 PM, on Monday, 28 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) Labor Markets, Poverty, and Income Distribution iii) Globalization and Economic Crises

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 25 pages long. Students will meet with the instructor on **Wednesday 16 March** and **Thursday 17 March** on an individual basis to finalize their paper

topics. The papers are expected to tackle an appropriate research question and have an empirical and sound analytical content. With the objective of increased student cooperation, students are encouraged to work in groups of two or three. In their essays, however, students are required to clearly indicate the sections for which they are primarily responsible.

-Students will be responsible for writing a session paper (approximately 6-7 pages) which summarizes the material for the session in question, proposes discussion questions, and attempts to bring new perspectives to the literature covered in the session.

-Students are expected to write a survey article (about 10 pages long) on the material covered in one of the sessions, other than the ones for which they are session leaders or commentators.

-Students will present their comments for the two sessions they act as commentators (maximum two pages) and their reports for sessions in which they act as *rapporteur* in written form. Commentator and *rapporteur* reports should again be based on sessions other than those in which they act as session leaders or write their survey papers.

-The instructor will provide detailed information on the technique/art of writing survey articles and other papers.

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 (about 20 minutes), their research paper (approx.25 minutes), their reports as *rapporteur* (approx.5 minutes) to the whole group and will act as commentators (5-10 minutes) on two occasions.

It is 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.

Students are required to send (by E-mail) all their written work (excluding the survey and analytical paper) to the whole group by the evening of the Monday before the relevant session. All written work should be submitted to the instructor also in hard copy.

Written work will be returned to students (with instructor comments) on the following Wednesday.

PROGRAM

Wednesday, 2 March: INTRODUCTION

Wednesday, 9 March: PRELIMINARIES (Division of Labor)

Wednesday 16 March: 14.40-17.30 Meeting with the instructor on an individual basis to finalize paper topics (Group 1).

Thursday 17 March, 14.40-17.30: Meeting with students on an individual basis to finalize paper topics (Group 2).

Monday 28 March: Ninety-minute 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 T. Kuran (2003) Why the Middle East is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation, Department of Economics, University of Southern California. November 30, 2003, <http://www.ssrn.com>

1-2 C. Issawi (1980b) 'De-industrialization and re-industrialization in the Middle East, *International Journal of Middle East Studies*, 1980 (12), 469-479.

1-3 V. Milor (1990), The Genesis of Planning in Turkey, *New Perspectives on Turkey*, 4, Fall, 1-30.

1-4 O. Okyar (1979) 'Development Background of the Turkish Economy, 1923-1973', *International Journal of Middle East Studies*, 1979 (10), 325-344

1-5 D.J. Simpson (1965) 'Development as a process. The Menderes phase in Turkey', *Middle East Journal*, 19 (2), 141-152.

SESSION 2: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS)

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

2-1 Z. Öniş (2004) Turgut Özal and His Economic Legacy: Turkish Neo-liberalism in Critical Perspective" *Middle Eastern Studies*. Vol.40, No.4 (2004).
<http://home.ku.edu.tr/~zonis/publications.htm>

2-2 A. Ertuğrul and F. Selçuk (2001). "A Brief Account of the Turkish Economy, 1980-2000." *Russian and East European Finance and Trade* 37(6):6-30.

2-3 UNCTAD, *Trade and Development Report, 2004* Overview-pp. I-X. Geneva:UNCTAD,
http://www.unctad.org/en/docs/tdr2004overview_en.pdf

2- 4. J. 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.

2-5 K. Derviş et al (2004), Stabilising Stabilisation, Center for European Policy Studies, EU-Turkey Working Papers, No.7 September.

SESSION 3: TRADE AND INDUSTRIALIZATION

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

3-1 D. Rodrik, Industrial Policy for the Twenty-first Century, 2004.
<http://ksghome.harvard.edu/~drodrik/UNIDOSep.pdf>

3-2 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.

3-3 A. 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.

3-4 M. 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.

3-5 Z. 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 LABOR MARKET, POVERTY AND INCOME DISTRIBUTION

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

4-1 B. Milanovic (2003): “The Two Faces of Globalization: Against Globalization as We Know It” *World Development* Vol. 31, No. 4, pp. 667–683.

4- 2 J.G. Williamson (1997), Globalization and Inequality, Past and Present, *The World Bank Research Observer*, 12, 2, pp. 117-35.

4-3 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.

4-4 Özlem Onaran (2000), Labor Market Flexibility during Structural Adjustment in Turkey, İstanbul Technical University, Discussion Papers in Management Engineering, No: 00/1, İstanbul.

4-5 F. Şenses (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.

SESSION 5: GLOBALIZATION AND ECONOMIC CRISIS

May 25 (Both Groups together)

5- 1 A. Kleinknecht and J. ter Wengel (1998), The Myth of Economic Globalization, *Cambridge Journal of Economics*, 22, 637-47.

5-2 Ziya Öniş (2003) Domestic Politics versus Global Dynamics: Towards a Political Economy of the 2000 and 2001 Financial Crises in Turkey, *Turkish Studies*, 4-2, pp. 1-30.

5-3 World Bank (2003), *Turkey-Country Economic Memorandum-Towards Macroeconomic Stability and Sustained Growth-Summary Report*, World Bank: Washington D.C. pp: 1-46.

www-
wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/08/20/000160016_20030820
161646/Rendered/PDF/263010TR0CEM.pdf

5-4 Ahmet Çakmak (2003), *Globelleşen Dünya’da Türkiye’nin Yeri*, İstanbul, mimeo.

5- 5 Olivier Blanchard (2004), *The Economic Future of Europe*, National Bureau of Economic Research, Working Paper No: 10310, February
<http://www.nber.org/papers/w10310>.

Paper presentations will take place on
Wednesday 15 June (1.00 PM-5.00 PM) (Group 1)
Thursday 16 June (9.30-12.30) (Group 2)

Students are expected to

- i) carefully read the course material for each session.
- ii) send their session papers to **all** participants by the preceding Monday evening at the latest. (hard copy for the instructor, please!)
- iii) submit all other written work (session papers, commentator reports, *rapporteur* reports) to the instructor (hard copy please) by the Monday evening before the relevant session. These will be returned to you (with comments) on the following Wednesday.

Session leaders should play an active role in seeing that the course material is available for the whole group in good time.

GRADING:	Paper 1 (analytical)	17 points
	Paper 2 (survey)	8 points
	Paper presentation	5 points
	Session Paper	8 points
	Session presentation	10 points
	Rapporteur	4 points
	Commentator Performance	8 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

Important Dates

Friday 25 March, 7.00 PM. Submission of Introduction of Research Paper (approx. 2 pages) (Group 1).

Monday, 28 March 5.30 PM 90-minute examination (F-107?)

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

Monday 30 May, 7.00 PM. Submission of Survey Paper (Both groups)

Monday 13 June, 7.00 PM Submission of Research Paper (Both groups)

Wednesday 15 June 2.00-5.00 Paper Presentations (Group I) F107.

Thursday 16 June 9.30-12.30 Paper Presentations (Group 2) F 107.

Good Luck