

Middle East Technical University
Faculty of Economic and Administrative Sciences
Department of Economics 2005-2006
Econ 510 Fikret Şenses
Office F-205
Telephone: 210 2023
E-Mail: fsenses@metu.edu.tr
Wednesdays 14.40-17.30
Room F-107
Office Hours: Wednesdays: 10.40-11.30; Fridays: 10.40-11.30 and 12.40-13.30

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 four 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 (2003), *Türkiye İktisat Tarihi 1908-2002*, 7.Baskı: Ankara İmge.

c) G. Kazgan (2002), *Tanzimattan 21. Yüzyıla Türkiye Ekonomisi*. İstanbul: İstanbul Bilgi Üniversitesi Yayınları.

d) Erinç Yeldan (2001), *Küreselleşme Sürecinde Türkiye Ekonomisi Bölüşüm, Birikim ve Büyüme*, İstanbul: İletişim

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 Wednesday, 22 March** in Room F-107.

After this preliminary examination, there will be a total of **eight** sessions, seven of which on specific themes pertaining to the historical and current development of the Turkish economy. One session in the middle (time and place to be announced in due course) will be devoted to a general discussion and progress reports of students' paper topics.

II) The second objective of the course is increasing students' ability and skills in research and academic essay-writing. For this purpose, students are required to prepare a research paper on an approved subject of approximately 20 pages (approximately 6,000 words) long. Students

will meet with the instructor on **Wednesday 1 March** on an individual basis to finalize their paper topics.

-The papers are expected to tackle an appropriate research question and have a sound analytical and empirical content. Papers are expected to comprise a brief critical literature review and empirical analysis for a selected country. Comparative analyses between, say Turkey and another country are encouraged. The papers will be presented to the whole group at the end of term.

-Students will be responsible for writing one session paper (approximately 6-7 pages) which briefly 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 prepare two critical paper reviews (about 4 pages long, each) on the material covered in one of the sessions, other than the ones for which they are session leaders. Paper reviews should be sent electronically to the whole group by the Monday evening preceding the relevant session. All written work should be submitted to the instructor (hard copy) by Monday evening (by 7.30 P.M) preceding the relevant session. Written work will be returned to students (with instructor comments) on the following Wednesday.

- -The instructor will provide detailed information on the technique/art of writing research articles, paper reviews, and all other written work.

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 (approx. 15 minutes), their paper review (approx.15 minutes), and their research paper (approx. 25 minutes) to the whole group.

Students are required to read extensively for each session, make class presentations, and take an active part in class discussion. The main reading list for each session is provided below. It is essential that students attend all sessions on a regular basis.

PROGRAM

Wednesday, 15 February: INTRODUCTION

Wednesday, 22 February : PRELIMINARIES (Division of Labor)

Wednesday 1 March: 12.40-16.00 Meeting with the instructor on an individual basis to finalize paper topics

Monday 22 March: Ninety-minute examination on Kazgan (2002) Chapters 5-6, pp.121-88; and pp.446-75; Tezel (1994), Chapters 2-7, pp. 97-227; Boratav (2003), and Yeldan (2001: Chapter V, pp. 127-57.

SESSION 1: BACKGROUND AND TURKISH ECONOMY BEFORE 1980

(HIGHLIGHTS) 29 March

I-1 UNCTAD (2005), *Trade and Development Report, 2005*, United Nations, Geneva, 2005: Global Prospects and Imbalances pp.I-X and Chapter I Current Issues in the World Economy pp. 1-40.

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

SESSION 2: TURKISH ECONOMY BEFORE 1980 (HIGHLIGHTS) 5 April

2-1 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>

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

2-3 V. Milor (1990), The Genesis of Planning in Turkey, *New Perspectives on Turkey*, 4, Fall, 1-30.

SESSION 3: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS) April 12

3-1 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.

3-2 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>

3- 3. 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.

3-4 Aykut Kibritçiöğlü, (2004), "A Short Review of the Long History of Turkish High Inflation", in Shilpa M. Rao (ed.), *Inflation: Concepts and Experiences*, Hyderabad: The ICFAI University Press, Ch. 9, pp. 84-109.

SESSION 4: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS) April 19

4-1 K. Derviş et al (2004), Stabilising Stabilisation, Center for European Policy Studies, EU-Turkey Working Papers, No.7 September.

4-2 Erol Çakmak (2004), Structural Change and Market Opening in Turkish Agriculture, Centre for European Policy Studies, EU-Turkey Working Papers, No.4, Brussels.

4-3 Teoman Pamukçu and Erinç Yeldan (2005), "Country Profile: Turkey, Macroeconomic Policy and Recent Economic Performance", March.

SESSION 5: TRADE AND INDUSTRIALIZATION April 26

5-1 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.

5-2 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.

5-3 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.

SESSION 6 LABOR MARKET, POVERTY AND INCOME DISTRIBUTION 3 May

6-1 Terry McKinley (2004), Economic Policies for Growth and Poverty Reduction: PRSPs, Neoliberal Conditionalities and 'Post-Consensus' Alternatives, Paper Presented at the IDEAs International Conference "The Economics of the New Imperialism" JNU, Delhi, 22-24 January.

6-2 Ayşe Buğra and Çağlar Keyder (2005), Poverty and Social Policy in Contemporary Turkey, Boğaziçi University Social Policy Forum, Ocak, İstanbul

6-3 Cem Başlevent and Özlem Onaran (2004), The Effect of Export-Oriented Growth on Female Labor Market Outcomes in Turkey, *World Development*, Vol.32 No.8, 1375-93

Session 7 GLOBALIZATION, CRISIS, STATE AND THE FUTURE, 10 MAY

7-1 Ziya Öniş (2006) Varieties and Crises of Neoliberal Globalization, Argentina, Turkey and the IMF, *Third World Quarterly*, No.2, 239-63

7-2 David Felix, (2003) "The Past as Future? The Contribution of Financial Globalization to the Current Crisis of Neo-Liberalism as a Development Strategy," Working Papers wp69, Political Economy Research Institute, University of Massachusetts at Amherst.
<http://ideas.repec.org/p/uma/periwp/wp69.html>

7-3 Dani Rodrik (2006), Goodbye Washington Consensus, Hello Washington Confusion?
http://ksghome.harvard.edu/~drodrik/Lessons%20of%20the%201990s%20review%20_JEL_.pdf

7-4 J. Stiglitz (2004), Post-Washington Consensus Consensus, Initiative for Policy Dialogue, Working Paper Series,
http://www2.gsb.columbia.edu/faculty/jstiglitz/download/website/the_post_washington_consensus.pdf

Students are expected to

- i) carefully read the course material for each session.
- ii) Send, electronically their session papers to **all** participants by the preceding Monday evening at the latest. (also hard copy for the instructor, please!)
- iii) submit all other written work (session papers, paper reviews) 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.

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| GRADING: | Research Paper and paper Reviews | 20 points |
| | Paper presentations | 15 points |
| | Session Paper | 10 points |
| | Session presentation | 5 points |
| | Midterm Examination+ | 15 points |
| | Final Examination * | 20 points |
| | Class participation | 15 points |

+ on Tezel (1994: pp. 97-227), Boratav (2003), Kazgan (2002: pp.121-88 and pp. 446-75) and Yeldan (2001; pp.127-57).

*on all 7 sessions

Important Dates

Wednesday 22 March, 5.00 PM, Midterm Examination Room F 107

Friday 24 March, 7.00 PM. Submission of Introduction of Research Paper (approx. 2 pages)

Monday 29 May, 7.00 PM Submission of Research Paper

Thursday 1 June 2.00 P.M Paper presentations F107.

Good Luck