

Middle East Technical University
Faculty of Economic and Administrative Sciences
Department of Economics 2006-2007
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 period 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: (preferably more recent editions) 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 this 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 **2.40 PM, on Wednesday, 28 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 (**9 May**) will be devoted specifically to a general discussion and progress reports of students' paper topics.

II) The **second** objective of the course is to increase 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 15 pages (approximately 4,000 words) long. Students will meet with the instructor on **Wednesday 14 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 three critical paper reviews (about 3 pages long, each) on the material covered in one of the sessions, other than the ones of 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 7.0 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. 20 minutes), their paper review (approx.10 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, 28 February: INTRODUCTION

Wednesday, 7 March : PRELIMINARIES (Division of Labor)

Wednesday 14 March: 14.40-17.30 Meeting with the instructor on an individual basis to finalize paper topics.

Monday, 19 March, Submission of Proposal/Introduction of Paper to Instructor by 7.0 P.M.

Wednesday, 21 March, Brief student presentations on paper subjects and class discussion

Monday 28 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) 4 April**

I-1 UNCTAD (2006), *Trade and Development Report, 2006*, United Nations, Geneva, 2006: OVERVIEW, pp.I-XXI.

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 Ş. Pamuk (2006), “Estimating economic growth in the Middle East since 1820”, *Journal of Economic History*”, 66 (3): 809-828.

1-4 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) 11 April

2-1 T. Jacoby (2006), “Agriculture, the state and class formation in Turkey's First Republic (1923-60)”, *Journal of Peasant Studies*, 33 (1): 34-60.

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

2-3 A. Tekin (2006), “Turkey’s Aborted Attempt at Export-Led Growth Strategy: Anatomy of the 1970 Economic Reform”, *Middle Eastern Studies*, 42 (1): 133-163.

SESSION 3: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS) 18 April

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. 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.

3-3 World Bank (2006), *The World Bank in Turkey: 1993–2004 - An IEG Country Assistance Evaluation*, The World Bank, Washington DC: “Executive Summary” pp. VII-XIV. and Chapter1, pp. 3-5.

3-4 Z. Öniş (2006), “Beyond the 2001 Financial Crisis: The Political Economy of the New Phase of Neo-Liberal Restructuring In Turkey”, *Social Science Research Network*.

SESSION 4: TURKISH ECONOMY SINCE 1980 (HIGHLIGHTS) April 25

4-1 Cem Akyurek (2006), "The Turkish crisis of 2001 - A classic?" *Emerging Markets Finance and Trade*, 42 (1): 5-32.

4-2 G. F. Özkan (2005), "Currency and Financial Crises in Turkey 2000-2001: Bad Fundamentals or Bad Luck?" *The World Economy*, 28 (4): 541-572.

4-3 Ü. Cizre and E.Yeldan (2005), "The Turkish encounter with neo-liberalism: economics and politics in the 2000/2001 crises", *Review of International Political Economy*, 12 (3): 387-408.

SESSION 5: TRADE AND INDUSTRIALIZATION May 2

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

5-3 Y. Akyüz (2005), "Trade, Growth and Industrialization: Issues, Experience And Policy Challenges", *Turkish Economic Association Discussion Paper*, 2005/3, March 2005.

**SUBMISSION TO INSTRUCTOR FIRST DRAFTS/PROGRESS REPORTS OF PAPERS:
FRIDAY, 4 May, by 5.30 PM**

**SESSION 6 PROGRESS REPORTS/FIRST DRAFTS OF PAPERS/CLASS DISCUSSION
MAY 9**

SESSION 7 LABOR MARKET, POVERTY AND INCOME DISTRIBUTION May 16

7-1 Pranab Bardhan (2006), Globalization and rural poverty, *World Development*, 34 (8): 1393-1404.

7-2 Paul Collier and Stefan Dercon (2006), Review Article: The Complementarities of Poverty Reduction, Equity, and Growth: A Perspective on the World Development Report 2006, *Economic Development and Cultural Change*, 55 (1): 223-36.

7-3 A. Buğra and Ç. Keyder (2006), "The Turkish welfare regime in transformation", *Journal of European Social Policy*, 16 (3): 211-228.

Session 8 GLOBALIZATION, CRISIS, AND THE FUTURE, May, 23

8-1 Arjan M. Lejour and Ruud A. de Mooij (2005), “Turkish Delight: Does Turkey’s Accession to the EU Bring Economic Benefits?”, *Kyklos*, 58 (1): 87–120.

8-2 Andrés Gallo, Juan Pablo Stegmann, Jeffrey W. Steagall (2006), “The Role of Political Institutions in the Resolution of Economic Crises: The Case of Argentina 2001–05”, *Oxford Development Studies*, 34 (2): 193 – 217.

8-3 Y. Akyüz (2006), “From Liberalization to Investment and Jobs: Lost In Translation”, *Turkish Economic Association Discussion Paper*, 2006/3, March 2006.

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 (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:

Research Paper 20 points

Presentations 15 points

Session Paper and paper Reviews 15 points

Midterm Examination+ 15 points

Final Examination * 25 points

Class participation 15 points

Total= 105 points which includes a 5- point bonus

+ 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 and World Bank (2006) (70 percent of the examination), “Turkey - Country Economic Memorandum - Promoting Sustained Growth and Convergence With the European Union”, World Bank Economic Report No: 33549-TR, Vol. I (Main Report).(30 percent of the examination)

Important Dates

Wednesday 28 March, 2.40 PM, Midterm Examination Room F 107

Monday, 19 March, Submission of Proposal/Introduction of Research Paper (approx. 2 pages) to Instructor by 7.30 P.M.

Wednesday, 21 March, Brief student presentations on paper subjects and class discussion

Friday, 4 May, Submission to instructor first drafts/progress reports of papers by 5.30 pm.

May 9 (session 6) presentation and progress reports/first drafts of papers/class discussion

Monday 28 May, 7.00 PM Submission of Research Paper

Thursday 31 May 2.00 P.M Paper presentations F107.

Final Examination: Date to be announced by the Registrar's Office

Good Luck for a successful term.