What is Dutch disease in economics?

This refers to the phenomenon wherein countries that are rich in natural resources witness uneven growth across sectors. According to the thesis, when resource-rich countries export their resources to the rest of the world, it causes the exchange rate of their currency to appreciate significantly; this, in turn, affects other sectors in the country by discouraging their exports while encouraging the import of cheaper alternatives. The term was coined by *The Economist* in 1977 to describe the decline of the manufacturing industry in the Netherlands. The idea, however, was first proposed by economists Peter Neary and Max Corden in a paper published in 1982.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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