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IV. European Congress on Economic Issues

ABSTRACT BOOK

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Ayhan ORHAN
M. Ridvan INCE

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ABSTRACT BOOK

EDITORS

Ayhan ORHAN

M. Rıdvan İNCE
IV. European Congress on Economic Issues- is scheduled to be held from **15-17 November 2018** in İzmit/Kocaeli in Turkey.

Economies being of various development levels have different economic problems or difficulties. Following the global economic crisis in 2008, almost all of the economies around the World have been facing with particular structural economic issues. Developed countries, emerging economies and peripheral economies have been affected from each other since firm economic ties among the countries is adding another dimension to global economic structure.

Therefore, this year conference will focus on the question of “the general economic issues of countries having different economic development levels from different economic perspectives” This conference will bring together from different areas with the participation of academics, professionals, specialists, practitioners from the field and NGOs as well as bureaucrats dealing with these issues. The participants who will take part in our international conference will improve their scientific and vocational studies by sharing their knowledge and experience in various fields of economics and related disciplines.

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# TABLE OF CONTENTS

- The fourth industrial revolution: Taking seriously Schumpeter’s concept of ‘creative destruction’
  - Heinz D. Kurz  
  - 11

- Sraffa: An alternative to the modern orthodox economics
  - Ajit Sinha  
  - 12

- The impact of Brexit on trade patterns and industry location: A NEG analysis
  - Pasquale Commentatore  
  - 13

- Economic theory and practice - between fear and thrust
  - Ljubomir Kekenovski  
  - 14

- Interest Rate - Inflation Rate Dilemma: In The Period Of The Transition To The Strong Economy Program
  - İşil Akgül  
  - 15

- The healthy development - in search of future educational institution
  - Stanciu Vasile Miliade, Halil İbrahim Aydın, Sema Yılmaz Genç  
  - 16

- Artificial Intelligence Modelling Techniques and Simulation Algorithms for Economic Issues
  - Murat Akkaya  
  - 17

- İnternet çağında fikri mülkiyet ilişkileri
  - Altuğ Yalçıntaş  
  - 18

- Organisational factors that influence the blockchain adoption in Ireland: A study by J. E. Cairnes school of business & economics in association with the blockchain association of Ireland
  - Trevor Clohessy  
  - 19

- The role of defense industry in the development process of industrial sector in Turkey
  - Zafer Öztürk, Derya Yakıcı Öksüz  
  - 20

- An empirical analysis of the long-run relationship among regional house prices in Turkey
  - Abdurrahman Nazif Çatık, Utku Akseki, Barış Alpaslan  
  - 21

- Analysis of non-linear causality between crypto coins trading volume and stock market prices
  - İşil Akgül, Emre Çevik  
  - 22

- The effect of sudden stops in capital inflows on macroeconomic variables with nonlinear panel data analysis
  - İşil Akgül, Emre Çevik  
  - 23

- The impact of tourist inflows on residential sales in Turkish provinces: A spatial econometric analysis
  - Burcu Türkcan, Utku Akseki  
  - 24

- Cittaslow as an alternative model in local economic development: Taraklı case from the perspective of tourists
  - Erdal Karakaş, Öznur Akgişi, Büşra Özkarman  
  - 25

- The Efficiency of Exchange Rate Channel: The Relation of Exchange Rate, Private Investment, Consumption and Gross Domestic Product
  - Arzu Tay Bayramoğlu  
  - 26

- Employment problems of the women in the rural areas of Turkey
  - Sait Engindeniz, Bahar Aydın Can  
  - 27

- Evaluating the potential socio-economic impacts of agriculture-based industry:
  - 28
<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A case study of Kocaeli-Kandıra food specialized organized industrial zone (FSOIZ)</td>
<td>29</td>
</tr>
<tr>
<td>Sait Engindeniz, Bahar Aydın Can</td>
<td></td>
</tr>
<tr>
<td>Inequality in working life: Woman</td>
<td></td>
</tr>
<tr>
<td>Kamuran Soylu, Seher Uçkun, Burcu Üzüm</td>
<td></td>
</tr>
<tr>
<td>Restructuring central banking mission in Turkey within the boundaries of actor-oriented systems analysis approach</td>
<td>30</td>
</tr>
<tr>
<td>Vahit Ferhan Benli</td>
<td></td>
</tr>
<tr>
<td>The effects of trade wars on China’s automotive industry</td>
<td>32</td>
</tr>
<tr>
<td>Ayfer Ustabaş, Gülçin Elif Yücel</td>
<td></td>
</tr>
<tr>
<td>Analysis of the relationship between economic freedom index and stock market indices; evidence from Turkey</td>
<td>33</td>
</tr>
<tr>
<td>Esra N. Kilei</td>
<td></td>
</tr>
<tr>
<td>The impact of trade openness on economic growth: Empirical evidence from the Gambia</td>
<td>34</td>
</tr>
<tr>
<td>Lamarana Jallow</td>
<td></td>
</tr>
<tr>
<td>Player or proletariat: Analysis of the production “impressions” for mobile games</td>
<td>35</td>
</tr>
<tr>
<td>Emre Biçici</td>
<td></td>
</tr>
<tr>
<td>16. ve 17. yüzyıllarda Osmanlı ve İspanya’nın Akdeniz ticareti üzerine rekabeti</td>
<td>36</td>
</tr>
<tr>
<td>Mehmet Emin Yardımcı, Erkan Ofıaz, Mehmet Batman</td>
<td></td>
</tr>
<tr>
<td>Current state of employment in Azerbaijan</td>
<td>37</td>
</tr>
<tr>
<td>Aliyeva Ruhangiz, Nadıjafıva Qatıba</td>
<td></td>
</tr>
<tr>
<td>Are the relationship between economic growth and direct foreign investments stable in Turkey?</td>
<td>39</td>
</tr>
<tr>
<td>Mustafa Kırca, Şerif Canbay</td>
<td></td>
</tr>
<tr>
<td>Effects of change in oil prices on growth: The case of Turkey 2000-2017</td>
<td>40</td>
</tr>
<tr>
<td>Özlem Ülger, Muhammed Inal</td>
<td></td>
</tr>
<tr>
<td>Economic potential of petrochemical machinery building in Azerbaijan</td>
<td>41</td>
</tr>
<tr>
<td>Nariman Boyukkishi</td>
<td></td>
</tr>
<tr>
<td>Foreign AIDS’ impacts in Afghanistan after 2001</td>
<td>43</td>
</tr>
<tr>
<td>Ayhan Orhan, Shah Jahan Hakimi</td>
<td></td>
</tr>
<tr>
<td>The problem of jobless growth in Turkey</td>
<td>44</td>
</tr>
<tr>
<td>Zafer Öztürk, Serap Kapız Ayvaz</td>
<td></td>
</tr>
<tr>
<td>Quantum and economics</td>
<td>45</td>
</tr>
<tr>
<td>Melike Bildirici, Bahri Sonmuşturan</td>
<td></td>
</tr>
<tr>
<td>Chaos And Exchange Rates</td>
<td>46</td>
</tr>
<tr>
<td>Melike Bildirici, Bahri Sonmuşturan</td>
<td></td>
</tr>
<tr>
<td>Testing the relationship between regional income inequality and regional income in the context of Kuznets U curve for turkish economy</td>
<td>47</td>
</tr>
<tr>
<td>İbrahim Arsoy</td>
<td></td>
</tr>
<tr>
<td>How can aggressive behaviors affect conflict management and learning motivation in crisis and stress process?</td>
<td>48</td>
</tr>
<tr>
<td>C. Gazi Uçkun, Okan Şeneldir</td>
<td></td>
</tr>
<tr>
<td>Contestability in Turkey mobile communication market</td>
<td>49</td>
</tr>
<tr>
<td>Recep Tari, Muhammet Ridvan Ince</td>
<td></td>
</tr>
<tr>
<td>The research of relation between social assistances and unemployment: An empirical analysis for Turkey</td>
<td>50</td>
</tr>
<tr>
<td>Ayhan Orhan, Sedanur Demir</td>
<td></td>
</tr>
<tr>
<td>Effect of employment on the time allocation of youth in Turkey: Evidence from time use survey</td>
<td>51</td>
</tr>
</tbody>
</table>
Zeynep Elitas, Didem Pekkurnaz
Effect of the 2008 global economic crisis on foreign direct investments in Turkey: Intervention analysis 52
Zeynep Karaçor, Burcu Güvenek, Sevilay Konya

2008 the effect of general level of happiness of global crisis: The case of Turkey 53
Zeynep Karaçor, Burcu Güvenek, Mevlüt Koca

Economies of scale and scope in the higher education: The case of Turkey 54
Hüseyin Özer, Gökhan Erkal

An analysis on sustainability of health expenditures in Turkey 55
Mustafa Ulvi Kafkaslıoğlu

The reflections of exchange rate shocks to macroeconomic indicators in Turkish economy 56
Mücahide Küçüksucu, Sevilay Konya

The relationship between FDI and the unemployment case of (CEMAC) 1994 - 2017 57
Selçuk Koç, Faycal Adassoukhi Hassan

Environmental problems of economic globalization 58
Fazıl Kayıkçı

Shall the court, on its own motion and without any further investigation, decide on bankruptcy of a solvent corporation if it emerges in the definite respite that the concordat will not succeed? 59
Levent Biçer, Mehmet Şua

Some evaluations on the supposition as publicly held corporations of joint stock companies in which the majority of the shares are owned by the cooperatives and cooperative associations 60
Tuğba Semerci Vuraloğlu

Perception of consumers for public policies to reduce smoking consumption 61
Gökhan Dökmen, Mehmet Pekkaya, Nurseda Saymaz

Urban rent and tax practices: Example of Zonguldak city 62
Gökhan Dökmen, Cihan Kayacık

Kicking away the ladder: On the real origins of the wealth of the nations 63
Ömer Yılmaz, Haktan Sevinç, Merter Akınç

Provinces of Turkey in respect of human development index 64
Fazıl Kayıkçı, Soner Korkmaz

Analysis of the telecommunications sector – The case of Turkey 65
Esra Kabaklarlı

Relationship between oil prices and inflation: Panel data analysis for selected petroleum importer countries 66
Yusuf Bayraktutan, Ali Rıza Solmaz

The power and regulation of rating agencies in the context of global financial architecture 67
Vahit Ferhan Benli

Economic and financial effects of the concordato agency and announcement of concordato 69
Muhammed Sami Akkuş

Market socialism critique of Austrian school: Oskar Lange’s trial and error method and economic calculation argument 70
Derviş Kıırıkkaleti, Sema Yılmaz Genç, Kadir Göceri

19. yüzyılda Çin’den ülke dışına gümüş para akışı 71
Mehmet Emin Yardımcı, Bodan Imanmahmet
<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The relationship between precious metal production and economic growth</td>
<td>72</td>
</tr>
<tr>
<td>Melike E. Bildirici, Seyit M. Gökmenoğlu</td>
<td></td>
</tr>
<tr>
<td>Evaluation of the communique on the “Procedures and principles regarding the implementation of the article 376 of the Turkish commercial code numbered 6102”</td>
<td>73</td>
</tr>
<tr>
<td>Ecrin Baydak</td>
<td></td>
</tr>
<tr>
<td>Income and asset value relationship: A nonlinear approach to capesize shipping market</td>
<td>74</td>
</tr>
<tr>
<td>Abdullah Açık, Muhammet Ridvan İnce</td>
<td></td>
</tr>
<tr>
<td>Industry 4.0 revolution and the future of accounting applications</td>
<td>75</td>
</tr>
<tr>
<td>Ahmet Cemikut Badem, Yavuz Kılınç</td>
<td></td>
</tr>
<tr>
<td>Testing the validity of hysteresis hypothesis in the context of regions of Turkey</td>
<td>76</td>
</tr>
<tr>
<td>Mustafa Kemal Beşer, Ömer Faruk Gümüş</td>
<td></td>
</tr>
<tr>
<td>Forecasting consumer behaviour with rough set approach</td>
<td>77</td>
</tr>
<tr>
<td>Nilgün Güler Bayazıt, Yasemen Uşan</td>
<td></td>
</tr>
<tr>
<td>A view to 2008 financial crisis from the cinema movies</td>
<td>78</td>
</tr>
<tr>
<td>Onur Öğuz</td>
<td></td>
</tr>
<tr>
<td>Is gold a safe haven? Evidence from Turkish financial market</td>
<td>79</td>
</tr>
<tr>
<td>Figen Büyükakın, Ali Küçükçolak, Necla Küçükçolak</td>
<td></td>
</tr>
<tr>
<td>Increasing trade risks and its result for the global economy</td>
<td>80</td>
</tr>
<tr>
<td>Nuray Terzi</td>
<td></td>
</tr>
<tr>
<td>Basis dynamics of digital Islamic economy</td>
<td>81</td>
</tr>
<tr>
<td>Nuray Terzi</td>
<td></td>
</tr>
<tr>
<td>Communication technologies and public relations management</td>
<td>82</td>
</tr>
<tr>
<td>Leyla Şenol</td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety in management</td>
<td>83</td>
</tr>
<tr>
<td>Leyla Şenol, Merve Ferhağolu</td>
<td></td>
</tr>
<tr>
<td>Design of the “Urban identity and city” in Kocaeli local press</td>
<td>84</td>
</tr>
<tr>
<td>Fatih Akbulut, Akın Deveci</td>
<td></td>
</tr>
<tr>
<td>A new approach for international security studies: Economics and security</td>
<td>85</td>
</tr>
<tr>
<td>Ashlan Anlar</td>
<td></td>
</tr>
<tr>
<td>The allocation of power between shareholders and directors in us corporate law</td>
<td>86</td>
</tr>
<tr>
<td>Ekrem Solak</td>
<td></td>
</tr>
<tr>
<td>The Effectiveness of Monetary Transmission Under Inflation Targeting Regime In Turkey</td>
<td>87</td>
</tr>
<tr>
<td>Arzu Tay Bayramoğlu, Nagihan Yaman</td>
<td></td>
</tr>
<tr>
<td>Poverty and poverty problems in Turkey</td>
<td>88</td>
</tr>
<tr>
<td>Gamze Güner</td>
<td></td>
</tr>
<tr>
<td>An Investigation on The Factors Affecting The Informal Employment</td>
<td>89</td>
</tr>
<tr>
<td>Gökhan Karhan</td>
<td></td>
</tr>
<tr>
<td>Voting Behavior in Turkey in the Context of Political Economy Analysis</td>
<td>90</td>
</tr>
<tr>
<td>Melike Bildirici, Fulya Özaksoy Sonmuştur</td>
<td></td>
</tr>
<tr>
<td>Impact of Political Stability on Economic Growth in BRICS-T Countries</td>
<td>91</td>
</tr>
<tr>
<td>Gökhan Karhan, Yunus Açıcı</td>
<td></td>
</tr>
</tbody>
</table>
THE FOURTH INDUSTRIAL REVOLUTION: TAKING SERIOUSLY SCHUMPETER’S CONCEPT OF ‘CREATIVE DESTRUCTION’

Heinz D. Kurz*

Abstract

The paper discusses some of the probable effects of what is sometimes called the “Fourth Industrial Revolution”, based on cyber-physical systems, the internet of things and artificial intelligence. The attention focuses on their impact on the volume and composition of employment and the distribution of income. Some measures to be taken to ward off or at least mitigate the socially detrimental effects of the new waves of technological change are discussed.

*University of Graz.
SRAFFA: AN ALTERNATIVE TO THE MODERN ORTHODOX ECONOMICS

Ajit Sinha*

Abstract

The Classical or the Ricardian (1821) theory of price determination had two aspects: one objective and the other subjective. The objective aspect of the theory sought to determine the ‘natural’ or the ‘equilibrium’ prices exclusively on the basis of the data of the methods of production used to produce the commodities; and the subjective aspect determined the equilibrium of demand and supply through a market mechanism based on agents’ subjectivities. The idea was to establish that the objective aspect of production provides the centre of gravitation for prices such that the subjective behaviour of the agents would bring the empirical or the ‘market prices’ in the long run to rest at the centre. I argue that these two aspects of the Classical theory turned out to be contradictory or at least incongruent as the objective aspect of the theory alone could not satisfactorily explain the ‘equilibrium prices’, which led to the downfall of the theory. The Modern economics of Jevons (1871) and Walras (1874) simply cut-off the objective aspect of the Classical theory and built on their demand and supply market mechanics as a standalone theory of prices by adding the ‘marginal method’ to it. In this context, all the prices and rates of wages and profits are simultaneously determined by the interactions of demand and supply functions. Sraffa (1960), on the other hand, rehabilitates the objective aspect of the Classical price theory by cutting-off the demand and supply market mechanism and the notion of equilibrium associated with it from their theory. This, I argue, establishes the independence of the rates of wages and profits from the market mechanism and prices and opens up the economic theory to the socio-historical context in which the economy is situated.

* Azim Premji University.
THE IMPACT OF BREXIT ON TRADE PATTERNS AND INDUSTRY LOCATION: A NEG ANALYSIS

Pasquale Commendatore*

Abstract

We explore the effects of Brexit on trade patterns and on the spatial distribution of industry between the United Kingdom and the European Union and within the EU. Our study adopts a new economic geography (NEG) perspective developing a linear model with three regions, the UK and two separated regions composing the EU. The three-region framework and linear demands allow for different trade patterns. Two possible ante-Brexit situations are possible, depending on the interplay between local market size, local competition and trade costs: industrial agglomeration or dispersion. Considering a soft and a hard Brexit scenario, the ante-Brexit situation is altered substantially, depending on which scenario prevails. UK firms could move to the larger EU market, even in the peripheral region, reacting to the higher trade barriers, relocation representing a substitute for trade. Alternatively, some EU firms could move in the more isolated UK market finding shelter from the competition inside the EU. We also consider the post-Brexit scenario of deeper EU integration, leading to a weakening of trade links between the EU and the UK.

* University of Naples 'Federico II'.
ECONOMIC THEORY AND PRACTICE- BETWEEN FEAR AND THRUST

Ljubomir Kekenovski*

Abstract
Every successful economic system requires a supporting political structure: rules, standards of behavior, ways of resolving conflicts in order to produce trust and predictability. But in last year’s we are leaving in the process of historically lowest degree of trust in democratic institutions in western civilizations. The paradox is that, even thought the countries are moving closer economically, depending on each other more for trade, raw materials (especially oil) and finance, but they’re moving farther apart politically, disagreeing over goals, tactics and values. Historians has pointed to a similar disconnect, before World War I, when European powers were highly integrated economically and increasingly hostile politically. What could be social and economical consequences of this actual process for the Balkan countries, as a space which is more sensitive to all tectonic changes in the world over his security and sociopolitical live. Too many people and businesses in the Western Balkan and broader Mediterranean region currently live in a climate of economic fear. As we know from our past, fear has traditionally been regarded as a mechanism that is triggering irrational behavior. In the last decades and century we passed between Scylla and Haridba of fear and trust with very high cost. By using real examples of ours experiences we are trying to enrich the theory and predict the future social and economic practice.

Keywords: Behavioral economics, Institutional Economics, Public policies, Thrust, Uncertainty.

*Ss. Cyril and Methodius University.
INTEREST RATE - INFLATION RATE DILEMMA: IN THE PERIOD OF THE TRANSITION TO THE STRONG ECONOMY PROGRAM

İşil Akgül*

Abstract
In this speech, we'll talk about the claims of the politicians and the presidents of the Central Bank on the interest rate and the inflation rate, and the analyses conducted to reveal the validity of these claims. The analyses were made for the period starting from 2003 to 2018, covering the Program for Transition to Strong Economy. In addition, the analysis was conducted for 2 sub-periods in accordance with the breakdown dates in the series, and the relations between the interest rate and the inflation rate were examined in three periods. In addition to the analysis of the aforementioned variables, the relations between the exchange rate and the inflation rate were analysed in 3 periods, too. Because of the nonlinear structure of the variables, the analyses were made by nonlinear approaches. As a result of the analyses, it was found that the periods in which both claims were valid and the periods when only one claim was valid. The findings suggest that policy makers should pay attention to the relationship between these economic variables.

*Marmara University.
THE HEALTHY DEVELOPMENT- IN SEARCH OF FUTURE EDUCATIONAL INSTITUTION

Stanciu Vasile Miltiade*
Halil İbrahim Aydın**
Sema Yılmaz Genç***

Abstract
Development as a non-linear, complex and unpredictable process is also based on the educational process. So, it can be said also, because of education the today world is characterized by poverty, social inequalities, pollution, climate problems, s.o. In other words, education has not fully attained the ultimate goal, namely the fulfillment of the human being, but gave rise to opposite human behavior. In this regard, we propose through our paper a model of a new educational institution based on the health of the entire living system paradigm. For this, the first step is the evaluation of the educational organization according to an aggregate indicator called AIUH (Aggregate Index of University Health), built on health of the entire living system paradigm. We believe that the future construction of the educational organization, no matter what it is called, school, high school or university, is a way for a better world. In this sens, we had measure the health of two Economic Departments of Kocaeli University Turkey and Spiru Haret University Romania.

Keywords: The healthy development, the health of living entity paradigm; Aggregate Index of University Health (AIUH), the Human Specialist.

* Spiru Haret University.
** Batman University.
*** University of Kocaeli.
ARTIFICIAL INTELLIGENCE MODELLING TECHNIQUES AND SIMULATION ALGORITHMS FOR ECONOMIC ISSUES

Murat Akkaya*

Abstract

Artificial intelligence is intelligence created on machines, in contrast to the natural intelligence displayed by humans and other animals. In computer science AI research is defined as the study of intelligent agents that perceives its environment via different type of sensors and takes actions that maximize its chance of successfully achieving its goals. The term "artificial intelligence" is applied when a machine mimics "cognitive" functions of minds, such as "learning" and "problem solving".

Modern machine capabilities generally classified as AI include successfully understanding human speech, competing at the highest level in strategic game systems, operating cars, and intelligent routing in content delivery networks, military simulations and academic researches.

Artificial intelligence is founded by academic discipline in 1956 and developed rapidly every year. Today it is strateted to be used for many areas including both academic research and industry.

Radial Basis Function Network and Multilayer Perceptron Algorithms are mostly used AI Neural Network algorithms for Economics based Researches.

* Girne American University.
INTERNET ÇAĞINDA FİKRI MÜLKİYET İLİŞKİLERİ

Altuğ Yalçıntaş*

Abstract

ORGANISATIONAL FACTORS THAT INFLUENCE THE BLOCKCHAIN ADOPTION IN IRELAND: A STUDY BY J. E. CAIRNES SCHOOL OF BUSINESS & ECONOMICS IN ASSOCIATION WITH THE BLOCKCHAIN ASSOCIATION OF IRELAND

Trevor Clohessy∗

Abstract
Dr Trevor Clohessy will discuss the fundamentals of blockchain and provide an overview of the technology’s evolution and potential applications. He will then discuss the findings of an industry report he co-authored and lead in conjunction with the Blockchain Association of Ireland. The report entitled ‘The adoption of Blockchain in Ireland: Examining the influence of organisational factors’ investigated the organisational factors that influenced Irish companies in their decisions to adopt blockchain.

The study looked at key organisational factors that influence blockchain adoption in Irish companies. Interviews were carried out with 20 organisations in Ireland, divided over different sectors such as financial, IT, education, fishing, gaming, legal, marketing and mobile app development and data was collected from representatives within these organisations in different management backgrounds that included IT, company owners, researchers and directors.

Support from top management and organisational readiness were identified as key enablers for blockchain adoption. While legislative uncertainty, a lack of business cases and a lack of in-house expertise, were cited as the main reasons by decision makers for not adopting blockchain, and its association with initial coin offerings and digital currencies, such as cryptocurrencies, which were perceived negatively.

The study revealed three patterns pertaining to the adoption of blockchain in Ireland:
1) Top management support positively influences blockchain adoption;
2) Large enterprises are more likely to adopt blockchain than SMEs due to budget and available resources;
3) Organisational readiness is an ‘enabler’ for blockchain adoption – employees with the requisite blockchain IT knowledge and skills.

The key findings from the study demonstrate that blockchain is not confined to financial technology and financial sectors, and welcomes further government action and strategic policy to promote blockchain more broadly to encourage universal engagement, such as the roll-out of a national, government-backed blockchain initiative like other developed countries.

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THE ROLE OF DEFENSE INDUSTRY IN THE DEVELOPMENT PROCESS OF INDUSTRIAL SECTOR IN TURKEY

Zafer Öztürk*
Derya Yakıcı Öksüz**

Abstract
One of the main goals of all countries is to ensure their economic development by making their economies a stable structure. The defense industry also has a significant impact on Economic Development. Defense industry is not separated from other sectors in the economy and is a sector with strong links to other sectors. Today we see that many of the countries that are superior in defense industry are developed countries with technological superiority. The fact that the technological infrastructure of the defense industry is robust requires the latest and advanced technologies increases the stimulating effect of the other industry sectors. Therefore, defense industry is closely related to the level of development of countries.

In this study, the impact of the defense industry on the industrialization process in Turkey was investigated. In this study, as long as defense industry spends from past to present, it is briefly mentioned and the effect of defense industry on industrialization has been tried to be determined by considering the development of defense industry, defense expenditures, import and export levels. The study is supported by numerical data and tables. As a result of the study, it has emerged that the defense industry plays an important role in the industrialization process.

Keywords: Industrialization, Defense Industry, Turkish Economy.

* Bülent Ecevit University.
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Abstract
In this study, the presence of house price convergence among selected big cities of Turkey is analyzed. Unit root tests (both linear and structural breaks tests) suggest that relative house prices are not stationary. Unit root with break tests identify statistically significant breakpoints in the house prices dated after the implementation of mortgage law. Multivariate and bivariate Johansen cointegration tests are applied to explore further the long-run relationship among the house prices. Although we found one cointegrating relationship among the seven regions for the whole period, the stability tests based on the recursive estimation of the cointegrated model indicate the presence of two different periods before and after the mortgage law. The multivariate and pairwise cointegration tests based on two subsamples report a remarkable decline in the number of cointegrating vectors after the enactment of the mortgage law and that might be taken as an evidence for the weakening the relationship among house prices.

Keywords: House prices, Convergence, Structural breaks, Cointegration, Turkey.
ANALYSIS OF NON-LINEAR CAUSALITY BETWEEN CRYPTO COINS TRADING VOLUME AND STOCK MARKET PRICES

İşil Akgül*
Emre Çevik**

Abstract
In this study, the relationship between the stock returns of OVERSTOCK and DISH companies, which are one of the earliest companies to accept crypto coins as a means of payment, and the trading volumes of BITCOIN and LITECOIN traded in the market as the first crypto money, investigated by causality of Diks and Panchenko (2006) and Bai et al. (2017). The aim of this study was to investigate whether there was a causal relationship between the trade volume and stock market returns of the crypto money the period of before and after receiving payment of crypto money. The fact that bitcoin has increased its importance over time as well as the number of studies conducted on this subject, reveals the necessity and importance of analyzing these relations.

The results of the binary Diks-Panchenko nonparametric nonlinear causality test showed that there was no causality between variables. However, the results of Bai et al. (2017)'s the multivariate causality test revealed the existence of multivariate non-linear causality relationship between the trading volumes of the crypto coins and the stock market returns of the companies. It is concluded that this causal relationship, which was statistically significant, exists before and after receiving of crypto money. These results indicate that the changes in the stocks of the companies that accept the crypto money as a means of payment are related to the trade volumes of the crypto coins. This finding suggests that investors, who will invest in the stocks of the companies, should also consider the trade volumes of crypto coins.

Keywords: Crypto coin, Non-linear causality, Multivariate causality, Diks-Panchenko.

* University of Marmara.
** University of Kırklareli.
THE EFFECT OF SUDDEN STOPS IN CAPITAL INFLOWS ON MACROECONOMIC VARIABLES WITH NONLINEAR PANEL DATA ANALYSIS

İşıl Akgül*
Emre Çevik**

Abstract
In this study, it was investigated that the effects of the sudden stop of capital inflows to real growth, inflation, current account balance and USD / TL exchange rate with panel vector smooth transition regression (PVSTR). Sudden stop in capital inflows was the base of the economic crises in developing countries. Calvo and Reinhart (1999) showed that the sudden stop in capital flows, especially portfolio investments, was the cause of the crises. In this study, the analyses was performed and compared by the linear, threshold and PVSTR models with the exchange rate as the internal variable and the portfolio variable as the external variable for the fifteen developing countries in the period of 1980-2017. For the results of the analysis were evaluated by econometrically, it was seen that PVSTR model results could be preferred according to model selection criteria such as percentage of disclosure and information criteria when all models with considered together. It was observed that the impulse-response functions obtained from PVSTR model innovations provided more descriptive information than those obtained from linear panel vector autoregressive (PVAR) model, especially in sudden stopping regimes. In other words, the responses of the growth, current account balance and inflation rates to the exchange rate and portfolio investments become more evident. These results showed that the importance and necessity of preferring non-linear models and methods in the analysis of systems of equations with non-linear internal macroeconomic variables such as growth. For policymakers, the determination of the decisions and measures to be taken by taking the non-linear model results into account in the periods of sudden capital outflows will be appropriate in terms of their contribution to national economies.

Keywords: Capital flows, Sudden stop, Non-linear panel vector smooth transition model.

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THE IMPACT OF TOURIST INFLOWS ON RESIDENTIAL SALES IN TURKISH PROVINCES: A SPATIAL ECONOMETRIC ANALYSIS

Burcu Türkcan*  
Utku Akseki**

Abstract

Housing and tourism sectors are two important sectors affecting the economy due to their direct, indirect and induced impacts on national accounts. In this sense, the relationships between these sectors have critical importance and hence there are lots of studies examining the relationships between them. However, it’s seen that the studies detecting their relationships have limited contributions in Turkish literature. In this context, we aim to contribute to the literature in two respects. First of all, a wide spatial data set is used in the empirical analysis for Turkey. Secondly, the most comprehensive spatial econometric analysis is conducted for Turkish provinces. In this regard, a spatial panel data analysis is conducted for 81 Turkish NUTS3 regions and the time period of 2008 – 2018.

Keywords: Tourism, Housing, Spatial Panel Data Analysis.

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* Ege University.  
** Ege University.
CITTASLOW AS AN ALTERNATIVE MODEL IN LOCAL ECONOMIC DEVELOPMENT: TARAKLI CASE FROM THE PERSPECTIVE OF TOURISTS

Erdal Karakaş*
Öznur Akgişi**
Büşra Özkaraman***

Abstract

Today, due to the effects of globalization, everyday life is accelerating and standardizing. A number of philosophies and actions are emerging as a solution or reaction to this process. One of them is the Slow Food movement. The focal point at the beginning of this movement is food but today it has become a philosophy with sustainability goals such as the development of cultural identities, the conservation and rational use of natural resources, and the assurance of biodiversity. Cittaslow is also a movement derived from Slow Food and aimed at making these goals inclusive of all aspects of urban life. Today this movement is interpreted by many researchers as an alternative development model for small cities. In this context the subject of this study is determine the relationship between local development and Cittaslow in the case of Taraklı which is one of slow cities of Turkey. It is aimed to determine whether the slow city model is influential in the development of local development from the perspective of tourists. Quantitative research techniques were used in the study and questionnaire was used as data collection tool. The basic findings are as follows: Tourists reside in nearby provinces and districts. Most of them participate in their trips with their families and come to Tarakli with their own means without using any tour company. 60% of the participants have come to Tarakli before, and 40% of them are day-trippers. The rate of those who stated that a place is a slow city will affect the preference of the place favorably will be 67.4%, the rate of those who will adversely affect 24.3%, and the rate of those who will not be effective 8.3%. 88% of the respondents stated that Taraklı met expectations of their travel, 95% wanted to come back and 97% would recommend Taraklı to others. In addition to this, according to the data obtained from the Taraklı Municipality, the number of tourists who came to the city has increased since taking the title of being a slow city. Despite this, tourists have stated that accommodation facilities are inadequate and unqualified, there are limitations of catering facilities and infrastructure problems such as traffic and parking. As a result it is possible to say that having a Cittaslow title is an important factor in the preference of Taraklı and that it contributes to local economic development by encouraging slow tourism in the city.

Keywords: Economic Development, Tourism, Cittaslow, Taraklı, Turkey.

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THE EFFICIENCY OF EXCHANGE RATE CHANNEL: THE RELATION OF EXCHANGE RATE, PRIVATE INVESTMENT, CONSUMPTION AND GROSS DOMESTIC PRODUCT

Arzu Tay Bayramoğlu*

Abstract
In today’s economies, the exchange rate means more than the rate of change between domestic and foreign currency. As the bond, stock and real estate markets are not fully developed in emerging economies, where the floating exchange system is applied, the exchange rate is the most important asset price affected by monetary policies. Monetary policies affect the level of exports and production by the exchange rate channel. The exchange rate channel tries to explain the transmission mechanism in relation to the interest rate channel. In an environment where domestic real interest rates are decreasing as a result of an expansionary monetary policy, the domestic currency loses its attraction in the face of foreign currency. With the depreciation of domestic money, foreign currency will gain value and domestic goods will be cheaper compared to foreign goods. As a result, net exports and hence the total output is expected to rise. On the other hand, the exchange rate movements affect the consumption expenditures of the consumers and the debt burden of the firms with foreign debt and affect the investments of private firms. In this study, the effectiveness of exchange rate channel is analyzed in Turkey by using causality methodology between consumption, investment, and income.

Keywords: Exchange rate, Export, Consumption, Investment, Causality.

*University of Zonguldak Bülent Ecevit.
EMPLOYMENT PROBLEMS OF THE WOMEN IN THE RURAL AREAS OF TURKEY

Sait Engindeniz*
Bahar Aydın Can**

Abstract
The economic efficiency of women in rural areas and the economic efficiency of women in urban areas are very different from each other in structural terms. The women who are working in the countryside are not wageworkers; they work in their family business without any social security. On the other hand, only the minority of the women who are working in cities are employed as agricultural laborers, and they get paid in consideration of their labor. Under today’s conditions, the importance of agricultural activities in employment has gradually declined, and the place of women in agriculture and their participation in economic activities have acquired a different dimension. The participation in production of the women in the agricultural sector varies by their family’s land size, agricultural activity and level of income. As the family’s freehold land size and agricultural mechanization level increase, the woman drifts away from agricultural production and directs her working potential to housewifery.

One of the most important reasons of decreasing female labor force participation rate is migration from the countryside to cities, which gained speed as of the second half of 1980s in particular. With migration from the countryside to cities, those women who had worked as an unpaid family worker could not gain a place in the labor market in cities, which led to a fall in female labor force participation rate in general. The failure of industry to generate enough employment to meet the surplus labor supply from agriculture was one of the reasons of the fall in question. According to the TurkStat data for 2017, in Turkey, 19.58% of the total employed population is employed in the agricultural sector, and 45.99% of the employment in this sector is composed of women.

The main purpose of this study was to examine the employment problems of the women in the rural areas of Turkey and make some suggestions in this respect. The main material of the study was the data obtained from institutions such as OECD, ILO, Turkish Statistical Institute, Women’s Labor and Employment Initiative, etc. and the results obtained from previous studies. The data obtained for the period of 2008-2017 is given as tables following percentage and index calculations..

Keywords: Agricultural sector, Rural woman, Female employment, Unemployment.

* Ege University.
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EVALUATING THE POTENTIAL SOCIO-ECONOMIC IMPACTS OF AGRICULTURE-BASED INDUSTRY: A CASE STUDY OF KOCAELİ-KANDIRA FOOD SPECIALIZED ORGANIZED INDUSTRIAL ZONE (FSOIZ)

Sait Engindeniz*
Bahar Aydın Can**

Abstract
Organized Industrial Zones are instruments of both spatial planning and development. In Turkey, Organized Industrial Zones serve as an important instrument in the development of industry with a view to ensuring the equal distribution of economic development in all regions, supporting small and medium sized enterprises, meeting land requirements, and providing common infrastructure and services opportunity. On the other hand, Specialized Organized Industrial Zones, which have the economic synergy created by clustering, have the upper hand thanks to the availability of all kinds of inputs, close proximity to suppliers, reduced treatment costs, eligible staff recruitment and marketing opportunities. Given the situation of agriculture-based industry in Turkey, it is of great importance to demonstrate the potential impacts of Food Specialized Organized Industrial Zones (FSOIZs), which contribute to rural development, for future FSOIZs.

In this research, the potential impacts of Kandıra FSOIZ to be established in Kandıra district of Kocaeli province on rural areas were evaluated in socio-economic terms. The main material of the research was the data obtained from 41 (out of 61) companies registered in Kocaeli Kandıra FSOIZ through face-to-face interviews. In line with the data, the companies included in the research were grouped based on their field of activity as “companies that operate based on plant production (Group 1)”, “companies that operate based on animal production (Group 2)”, and “other companies (Group 3)” in order to show sectoral differences. To this end, the companies included in the research were analyzed in terms of their general characteristics, sectoral status, size, number of staff members to be employed, method of procuring agricultural raw materials, and opinions, attitudes and expectations about the potential socio-economic impacts of the establishment of Kandıra FSOIZ. According to the results obtained, of all groups, Group 1 had the biggest share (85.71%) in the procurement of main raw materials from Kandıra district. The primary subject matter for the companies to be located in Kandıra FSOIZ was found to be “finalizing legal arrangements as soon as possible”. Of all objectives of Kandıra FSOIZ, the “development of agricultural products processing industry” was agreed by the majority of company executives. The findings obtained in the research were discussed, and some suggestions were made.

Keywords: Agriculture-based industry, Food industry, Rural area, Kandıra, Food Specialized Organized Industrial Zone.

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INEQUALITY IN WORKING LIFE: WOMAN

Kamuran Soylu*
Seher Uçkun**
Burcu Üzüm***

Abstract
Women's participation in economic production activities is as old as human history. However, with the influence of the industrial revolution, women have been included in the working life as wage earners and workers. Gender differences between men and women cause social discrimination of roles. With the same view, the woman can not make use of the educational opportunities. This an obstacle for women in employment and promotion opportunities. While women workers are considered as a need during their growth period, they are confronted with dismissal problems during crises. This idea causes women to be seen as backup work force. It is also known that women and men who do the same work receive different fees, and that women are employed in jobs with lower responsibilities. The patriarchal influence of social structure shows that women are rarely involved in the management stages compared to men. It is observed that a large majority of women in working life are employed informally. Although the rights women have in their working life are guaranteed by law, inequality in working life is against women.

Keywords: Women, Working life, Inequality.
Abstract
The unconventional monetary policy of the FED caused even more disastrous effects on developing countries, preventing them from foreign investments and hard currency earnings to repay their debts. Continuous rate hikes impose higher interest charges for highly leveraged countries which result in extra economic and political claims on every contour of those countries. With every “rating action” pointing a downside notch towards insolvency of their target victims, the possibilities for emerging market financial institutions to tap the foreign capital- and debt markets are shrinking. The rating agencies, with no built-in accountability as “gate keepers” of the global financial system still play a very big role in setting the stage for an even more serious crisis than 2007-2009 in the entire global financial arena (Acharya, V./ Richardson, M. 2009, p. 33). Moody’s downgraded Turkey’s government long-term issuer and debt ratings to Ba2 from Ba1 on March the 7th, 2018. According to Moody’s, the downgrade is driven by “The continued loss of institutional strength, as evidenced by further erosion in the effectiveness of monetary policy and further delays in implementing core structural economic reforms” and the score for Turkey’s institutional strength has been further adjusted to “Low (+)” from “Moderate (-)” (Moody’s, 7th of March 2018, pp. 2-3). At the beginning of June 2018, Moody's placed Turkey's Ba2 ratings on review for downgrade and without any surprise, Moody’s took an offensive move on its credit opinion dated from 17th of August 2018 by further downgrading the country to Ba3 rating with negative outlook. Regardless of the country’s strong fundamentals on its economic basis despite every possible attack on its financial and economical foundations, similar remarks are made on the important aspects of institutional strength of its leading monetary institutions, mentioning about the “steady erosion on key regulatory institutions such as the central bank” and its persistently undermining their “credibility” (Moody’s, 17th of August 2018, p.3). Similarly, a common opinion was provided a year ago by the well-known Executive Directors of IMF under article IV consultation reports dated from 3rd of March, 2017.
Given these dire circumstances, the purpose of our research question centers on the "restructuring the processes of a central bank to combat inflation in sustaining financial..."
stability as with weakening local currency becomes harder to sustain”. As independency and “meta power” are two prerequisites in central banking, we will be elaborating the questions of power centralization versus decentralization from the core policy definers within the governance of our financial system. This research paper will be stepping behind the “ordinary clichés of central bank power and independence” questions by using the methodology of “Actor-oriented System Analysis Model” to study the structuring and restructuring efforts and processes among the actors of central banking environment. Our clarifying efforts will be focusing on the research questions of “How can we restructure a semi- or fully independent monetary authority to enhance the fight against inflationary pressures to sustain financial stability and distance ourselves from the unjust and continuous attacks of the rating agencies?”

**Keywords:** Actor-oriented system analysis, Central banking, Independence, Monetary policy, Restructuring.
THE EFFECTS OF TRADE WARS ON CHINA’S AUTOMOTIVE INDUSTRY

Ayfer Ustabaş*
Gülçin Elif Yücel**

Abstract
China has been the leader in global car production and sales since 2009. On the other hand, it is foreseen that the protectionist measures initiated by the United States against China since the beginning of 2018 will affect other industries as well as the country's automotive industry. Thanks to its supply chain and clustering effects, the automotive industry can also deeply affect the industries it is related to. The aim of this study is to investigate the effects of the new protectionist measures applied by the United States on the Chinese automotive industry products in terms of foreign trade and economic growth. Within the scope of the research, the Chinese automotive industry is analyzed according to the scenarios based on different levels of protectionism.

Keywords: Trade Wars, Economic Growth, International Trade, China, Automotive Industry.

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ANALYSIS OF THE RELATIONSHIP BETWEEN ECONOMIC FREEDOM INDEX AND STOCK MARKET INDICES; EVIDENCE FROM TURKEY

Esra N. Kileci*

Abstract
Economic Freedom Index which includes the categories as Rule of Law, Government Size, Regulatory Efficiency and Market Openness has great importance in terms of evaluating a country’s economic and social outlook in comparison to the other countries. The index which implies the positive relationship between economic freedom and economic and social goals of countries including fiscal health, financial freedom, monetary independence, judicial effectiveness and so on has been widely taken into consideration by investors in their decision making process and market researchers in their country analysis. Turkey, with a overall score of 65.4, which seems below the regional average has experienced a stressful period as a result of increasing political instability in especially two-year-period. The concerns as to erosion of the rule of law, lack of transparency in government, increasing political influence and deterioration in some macro-economic indicators might have negative impacts on the index. On the other hand, except the last six-month period performance, BIST 100 has a good performance with a nearly %20 rise from 2016 to 2017. The purpose of this study is to analyze the relationship between Economic Freedom Index and BIST 100 over the period of 1995-2018. According to the results of analysis in which Fourier KPSS and Fourier Granger Causality Test are employed indicate that there seems no causality relationship between economic freedom index and stock market indices in Turkey in the period of 1995-2018.

Keywords: Financial freedom, Stock market indices, Economic freedom index.

*Istanbul Arel University.
THE IMPACT OF TRADE OPENNESS ON ECONOMIC GROWTH: EMPIRICAL EVIDENCE FROM THE GAMBIA

Lamarana Jallow* 

Abstract
Trade openness is the easy movement of goods and services, information, capital, labour and ideas with little restrictions across borders. The nexus between trade openness and economic growth has drawn a great deal of interest to policy makers, researchers and government since 1950s. The lobby for international trade gained momentum from policymakers and international economists after second World War Two when Import-Substitution Industrialization (ISI) failed in developing countries. The miracle growth of some Asian countries in 1970s and the failure of the ISI has made many countries to open their national borders based on the notion that trade leads to economic growth. The notion that trade leads to growth in the 1980s and 1990s caused international trade to increase exponentially. However, some of the empirical studies have shown that trade can have negative impact on the growth of a country especially the income distribution of a country. Therefore, it is due to this ambiguousness in the literature this research wants to examine the empirical nexus between trade openness and economic growth in The Gambia using an annual time series data from 1966 to 2017.

Most of previous empirical studies used methods that suffered from endogeneity problem. This study will employ Autoregressive Distributed Lag (ARDL) model and bound test for cointegration, this method solves the problem of endogeneity. The result of ARDL model will give both the short-run and the long-run impact of trade openness on economic growth. Such an empirical result will be important when policymakers want to decide between allocating scarce resources to trade and other sector of the economy.

Keywords: Trade openness, Economic growth, The Gambia, ARDL.

* Kocaeli University.
Abstract
Today, the game industry is one of the most advanced sectors on the market. Especially mobile games have an important place in the industry. In mobile games, players can spend their leisure time with entertainment provided by the mobile games, regardless of location. While playing mobile games, players consume contents. This consumer products “impressions” rate. Mobile game companies are selling this rate to advertising companies. In that case, mobile games are means of production and make a profit from players labour. Thus mobile games can be analyzed with Marxism. This research aims to understand that “How mobile games exploit the labour of players”. In that research, the game called “Crossy Road” was examined.

Keywords: Digital Games, Marx, Labour, Game.

* Kocaeli University.
16. VE 17. YÜZYIL ARADA OSMANLI VE İSPANYA’NIN AKDENÎZ TİCARETİ ÜZERİNE REKABETİ

Mehmet Emin Yardımcı*
Erkan Ofıaz**
Mehmet Batman***

Abstract
At the end of the 15th century, Spain’s re-establishment in the Iberian peninsula and its attempt to have a share in the Mediterranean trade caused it to compete with the Ottomans, who regarded the trade of the Mediterranean as a problem. At the end of the Mediterranean competition which is the reason of geographical discoveries, the Ottoman Empire became dominant over the whole Mediterranean and Spain opened to the oceans. This study will focus on economic bases of the struggle for superiority of the Ottoman Empire and Ottoman’s vassal Berbers state in the developing Spanish naval power.

Keywords: Ottoman, Spain, Mediterranean, Economy, Trade, Struggle, Berbers, Colony, Geographical discoveries.

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* University of Kocaeli.
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CURRENT STATE OF EMPLOYMENT IN AZERBAIJAN

Aliyeva Ruhangiz*
Nadjafova Qatiba**

Abstract

One of the main challenges facing Azerbaijan is to prevent the backdrop of the world's development. The effective and purposeful participation of Azerbaijan in the international division of labor is more optimistic of the existing material and spiritual potential to use the latest achievements of science and technology in the world, to implement the restructuring of the economy in a robust manner, and to pay more for the people's demands.

One of the main goals of the macroeconomic policy of each state in the modern world is to provide the necessary level of employment of the able-bodied people. Thus, high level of employment affects the efficient use of productive forces in the country. In recent years, serious problems have emerged in a wider range of countries where unemployment has taken place for various political and economic reasons. One of the most acute problems observed in most countries is unemployment.

The main strategic goal of the "Azerbaijan 2020: Outlook for the Future" Development Concept, adopted in the country, is to ensure sustainable economic growth and high social well-being, effective state governance and rule of law, full human rights and freedoms, and civil society to achieve the development stage characterized by active status in the country's social life. One of the crucial importance of the concept is the development of human capital and the establishment of an effective social protection system.

The economy of Azerbaijan has been attracting attention with a noticeable growth trend over the past decade and this trend should also be regarded as positive in terms of the current state of the world experience. During the relevant period, the economic policy implemented in the country allowed to substantially increase the volume of the economy, to increase the social welfare of the population and to completely modernize the socio-economic infrastructure. The active integration and participation of the international division of labor requires the constant improvement of the knowledge and professional level of the personnel and specialists operating in the country.

Necessary legal basis and state programs are being created in this direction. However, there is a special need to expand the modern knowledge and professional skills requirements in Azerbaijan, and this policy should be addressed both to the public sector and to the private

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sector. It should be noted that in 2017, the number of people in the country increased by 2 times compared with 2005, while the number of trained persons fell.

The specialization of production within the national economy is not merely an inherent specialty, but also a combination of separate parts and technological specialization. The participation of Azerbaijan in the international division of labor is an objective necessity, and this process is of particular importance in terms of improving the effectiveness of the national economy. Both national interests and economic security factors should serve as a prerequisite for expanding this direction in Azerbaijan.

**Keywords:** International division of labor, Legal documents, Labor market and professional level.
ARE THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND DIRECT FOREIGN INVESTMENTS STABLE IN TURKEY?

Mustafa Kırca*
Şerif Canbay**

Abstract
Many developing countries, which suffer from a lack of investment, need real investments from foreign countries. The part of these investments directed to production is called real investments or foreign direct investments. With the arrival of foreign direct investments, new employment and income opportunities are emerging in the country, so that countries can grow economically. Foreign direct investments are coming to Turkey as well as going to other developing countries. In this study, it is aimed to examine the relations between foreign direct investment and economic growth in Turkey. In this context, the relationship between foreign direct investment and economic growth, covering 1974-2017, was analyzed using time series methods. First, according to single break cointegration test, foreign direct investment has an effect on economic growth in the long run. there are cointegration effect. Later, according to the results of the time-varying causality analysis, there are positive causality relations were determined from direct foreign investments to economic growth in 1994-1995, 1999-2001, 2008 and 2010-2015 periods. This finding shows that there is no stable relationship between variables. In the conclusion section, economic and political implications are tried to be made.

Keywords: Foreign Direct Investment, Economic Growth, Time-Varying Causality Analysis.

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EFFECTS OF CHANGE IN OIL PRICES ON GROWTH: THE CASE OF TURKEY 2000-2017

Özlem Ülger*
Muhammed İnal**

Abstract
The conscious and planned use of energy is one of the most important indicators of the poverty and wealth levels of nations. Due to the importance of oil in the global energy market, it is possible to say that it plays a key role in today's trade life. Oil directly affects the economy, security and political relations of the countries from in the process of production to use. Oil prices reflect the balance between the current supply and the receivers who want to pay at this price. The change in energy prices has significant effects on macroeconomic variables such as the countries’ growth, current account deficit, inflation and interest rate. If oil prices are too high for consumers, there will be a slowdown in the economy of importing countries. However, if prices fall, producers will gradually begin to reduce oil production. Reducing in oil production will lead to an increase the country's political, social and economic risks. The relationship between oil prices and economic growth has been the subject of many researches as it has long-term macroeconomic effects for the world economy. In this context, the effect of changes in oil prices on growth in Turkey's economy has been tried to analyze with chart in the present study.

Keywords: Oil, Oil Prices, Economic Growth.

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* University of Batman.
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ECONOMIC POTENTIAL OF PETROCHEMICAL MACHINERY BUILDING IN AZERBAIJAN

Nariman Boyukkishi*

Abstract

“The Strategic Road Map on the Development of Metalworking Industry and Machine Building in the Republic of Azerbaijan”, approved on the 6th of December, 2016 by the Decree of the President of the Republic of Azerbaijan, has set several tasks to develop the machine-building industry in the medium and long-term perspective, and assist in full-fledged and efficient usage of existing production capacities in the country. There are several inter-related fields within the machine building complex of Azerbaijan, and each of these areas has its developing history, traditions, roles and importance in the overall national economy. However, our country has long been specialized mainly in the oil and gas industry. In this respect, robust scientific and production potential along with relevant technical and technological capabilities, infrastructure, and qualified personnel has been established in this specific area.

The economic potential of mechanical engineering is a set of the resources available at the disposal of enterprises (labor, tangible and intangible assets, financial resources, etc.) and their usage in maximizing the overall production. The key element of economic potential is the production potential. Production potential reflects the total production resources of enterprises. Economic resources are natural and social forces that can be involved in the establishment of production, commodities, services, and other values.

For objective and subjective reasons, the economic potential of petrochemical machinery of Azerbaijan has not been fully used in recent years; therefore the production volume has considerably declined followed by the decrease in the production quality. In this regard, existing resources should be explored and assessed to better off the existing situation, and complex measures should be taken to maximize the economic potential in order to restore the previous reputation. Internal management of machine building enterprises should take proper assessment of the economic potential as one of the most important tasks. As a result, the entity receives information on its economic activity, reserves are identified, and the necessary organizational and managerial decisions are taken to improve the efficiency of the enterprise. At this time, quantitative and qualitative methods should be used.

It is proposed to implement the following technical, organizational and economic measures to

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increase the efficiency of utilization of economic potential in enterprises.

Technical measures:
- improvement of usage of production funds;
- saving tangible resources;
- following technical standards and norms.

Organizational measures:
- proper organization of production;
- staff training;
- improvement of production infrastructure.

Economic Events:
- proper usage of financial resources;
- effective marketing and pricing policy.

Keywords: Roadmap, Economic potential, Production resources, Technical, Organizational and economic measures.
FOREIGN AIDS’ IMPACTS IN AFGHANISTAN AFTER 2001

Ayhan Orhan*
Shah Jahan Hakimi**

Abstract
After Marshall Plan foreign aid role was more prominent, and it was believed that aid can play an important role in the economic development of underdeveloped countries. Stunning success of the Marshall Plan and the US role and aid to rebuild the ruins of World War II in Europe, foreign aid showed its importance. Exactly, after the success of the Marshall Plan, foreign aid was entered as an important and influential factor in a systematic and organized international political economy.

After the success of the Marshall Plan, a massive wave of global aid directly from donors or through institutions like the World Bank and the IMF World Economic flowed to the southern countries. But the real question is why the international aids could not help to pave the way for the growth and development of the southern countries even though Marshall Plan was a success in Europe? Most of the countries that have received aid, unfortunately, they did not turn into countries with higher living standards, even in many cases their economic situation was transformed into a worse situation, compared to the before situation. In many cases aids have been main factor of corruption, poor governance, conflict and economic dependence. Two important critics about the international aid are that the majority of foreign aid are affected by political issues, And that developed countries have been using foreign aid as a replacement to reform their unfair international economic.

Afghanistan is a country that used foreign aids throughout history. This paper, however, examines the impact of international aid after 2001. During the last fifteen years a lot of aids for security, infrastructure and economic growth have given to Afghanistan. As results it has been shown that, there were both positive and negative effects of these aids during this period, but the negative effects of the aid has been far greater than the positive effects. The most significant negative effects in Afghanistan were economic dependence on foreign aid, inequitable distribution of aid and a rise in insecurity. This study is divided into three parts. In the first part of this study I will write definition and history of the foreign aids, and also goals and effects of these aids. In the second part I will search the history of these aids in Afghanistan. In the third part I will study the effects of foreign aids in Afghanistan after 2001, and last part is for results of study, conclusion and suggestions.

Keywords: Marshall Plan, World Bank, IMF.

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THE PROBLEM OF JOBLESS GROWTH IN TURKEY

Zafer Öztürk*
Serap Kapız Ayvaz**

Abstract

The view that when the growth in the economy is achieved, the employment will increase - in other words, the unemployment will decrease has taken its place in the economics literature. This relationship between economic growth and employment was first tested by Arthur Okun. Although theoretically it is assumed that there is a positive relationship between growth and employment, the relationship between these two variables has started to be investigated in the globalization and financialization process accelerating since the 1980s, and unlike the theory, there has been no increase in the employment despite the economic growth in many countries. In other words, this situation brought up the notion of jobless growth in which economic growth did not bring about an increase in employment and unemployment rate increased. Jobless growth is the lack of sufficient job opportunities that can reduce unemployment in spite of high growth in an economy. In this study, Okun’s Law was tested by Granger Causality Test using the data between 1988 and 2017 in Turkey. Policy recommendations were made with the findings of the analysis.

Keywords: Jobless Growth, Okun's Law, Granger Causality.

* Zonguldak Bülent Ecevit University.
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Abstract
Every paradigm is based on the pillars that are built on the realities of the subject period. The first paradigm of economics is Adam Smith’s classical theory. The main principles of the classical economics such as invisible hand, full employment and rational human are established in the lights of the 19th century’s conditions. Successor of the classic economics, neoclasical economics, kept the same principles and used the Newtonian approach to create the mathematical base of the paradigm.
Globalization, increasing volume of international trade and liberalism transformed the economics and financial markets into complex, self evolving and continuously changing structures. The basic principles of neoclassical economics didn't fit to real life anymore, tools used to analyze and foreseen the economics and financial markets was became insufficient. This kind of structural change on economics and financial markets created a requirement for a paradigm with adequate tools to make correct analysis. Quantum physics, chaos theory and fractal approach brought a new vision to many sciences. New paradigm provided higher compatibility to nonlinear dynamics of real life. Economics imported these approaches after 1980’s and using intensively on analysis.
In this paper we evaluated the neoclassical paradigm and quantum based new approach with the consideration of changes in real life economics.

Keywords: Economics, Quantum, Nonlinearity, Complexity.
CHAOS AND EXCHANGE RATES

Melike Bildirici*
Bahri Sonüstün**

Abstract
Policy makers needs adequate analysis and forecasts on economic indicators for establishing a suitable economic policy. Currency value is an important indicator for a country’s position in international trade against other countries so understanding the value of the currency’s pattern became an important issue to make correct judgments for policy makers.

Dominant paradigm used Newtonian physics and linear approach to create it’s mathematical fundament. This approach gave the ability to make linear analysis on economics but by the time, the change became a very important feature in social life and economics is highly effected by the change. Liberalism, globalization and improvement on information technologies fed the complexity on economics so much sophisticated tools was needed to make well-directed analysis for economical data that has nonlinear dynamics.

After 1960’s, chaos theory was revealed and started to be used on many sciences and economics could’t be indiferrent to chaos theory. Most of the analysis on many sciences showed that there is a chaotic pattern on their data. FX rates are effected by many factors and highly volatile. For making correct analysis and forecasts, true nature and pattern of the data must be understood.

In this paper, we examined turkish currency TL to understand the its pattern. TL/$ and TL/Euro variables were used to determine chaotic structure by Largest Lyapunov exponent and Hennon map. According to our findings chaotic behaviour is figured out on the series.

Keywords: Economics, Chaos, Exchange rates, Lyapunov, Hennon Map.

* Yıldız Technical University.
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TESTING THE RELATIONSHIP BETWEEN REGIONAL INCOME INEQUALITY AND REGIONAL INCOME IN THE CONTEXT OF KUZNETS U CURVE FOR TURKISH ECONOMY

İbrahim Arısoy

Abstract
This study aims at examining the relationship between regional income income and regional income inequality in the context of Kuznets U curve in Turkish Economy by using panel data analysis. To this aim, the relation between regional income inequality and regional per capita income are explored for the time period 2009-2015. The empirical findings are discussed in the context of theoretical expectations, policy implementations.

Keywords: Kuznets U Curve, Regional Income, Regional Income Inequality, Turkish economy.

* Turkish National Police Academy.
HOW CAN AGGRESSIVE BEHAVIORS AFFECT CONFLICT MANAGEMENT AND LEARNING MOTIVATION IN CRISIS AND STRESS PROCESS?

C. Gazi Uçkun* 
Okan Şeneldir**

Abstract
In this study, it is examined that relations of aggressive behaviors with organizational conflict management and employees’ learning motivation. Furthermore, it is discussed how such relations will be affected by the crisis and stress process. Aggressive behaviors cause difficulties in the formation of employees who have job satisfaction and organizational commitment. As organizations evolve continuously, the management of aggressive behavior becomes more challenging and important. The companies are facing greater challenges than ever before due to increased environmental complexity and the changing nature of organizations. Effective management leads to competitive advantage for any kind of organization. Today’s organizations need effective management who understand the complexities of the rapidly changing global environment. Some of the behavioral styles are aggressive, self-confident and timid behavior. Self-confident behavior has a positive effect on organizational change. Crisis management involves high-level decision-making and principal responsibility for human resources, thereby requiring distinct organizational and behavior skills. Economic crisis is an important stressor that had a negative impact on workers' mental health. In many researches documented that a rise in unemployment, increased workload, staff reduction, and wages reduction were linked to an increased rate of mood disorders, anxiety, depression and suicide. The management world knows by now that to be effective in the workplace, an individual or a team need self-confident behaviors. Self-confident behavior should be at the heart of effective teams. These teams behave in ways that build relationships both inside and outside the team and that strengthen their ability to face challenges. For a team to have self-confident behaviors, it needs to create norms that establish mutual trust among members, a sense of group identity, and a sense of group efficacy. Motivation has a central role in achieving high performances within organizations. The organization can progress by orienting the efforts of the managers towards motivation and satisfaction of the employees.

Keywords: Aggressive, Behavior, Conflict, Motivation, Crisis.

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CONTESTABILITY IN TURKEY MOBILE COMMUNICATION MARKET

Recep Tari*
Muhammet Rıdvan İnce**

Abstract
In the 1980s, the number of mobile communication services has increased with the GSM (Global System for Mobile Communication) technology and it started to become widespread in our country in the 1990s. In 1998, Türkcell and Telsim companies signed a 25-year concession agreement with the Ministry of Transport. This date is a milestone for Turkey Mobile Communication market. The market has come to both the technological and economic development has made great location and one of the strategic markets for Turkey. The importance of the market; It also increases the importance of measuring concepts such as market structure, performance, efficiency and productivity.

In this study, the main features of the mobile communications market in Turkey has been analyzed under the Contestable Market Model. As an analysis tool, market profitability and sunk costs in the market were used. As a result, the market has been shown to be excessive profitable and the excessively profitable market structure has been linked to barriers to entry into the market due to the sunk cost. For more efficient and productive market structure, it is proposed to integrate virtual mobile network enterprises into the market.

Keywords: Contestable Market Model, GSM Market, Virtual Mobile Network Operators.

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THE RESEARCH OF RELATION BETWEEN SOCIAL
ASSISTANCES AND UNEMPLOYMENT: AN EMPIRICAL
ANALYSIS FOR TURKEY

Ayhan Orhan*
Sedanur Demir**

Abstract
Social assistances, important elements of social policies improved with social state notion, are services for beginning indigent people to live self-sufficiently. Social assistances are cash, in kind and/or service-aids that are temporarily provided to individuals with low levels of welfare to achieve standard living conditions. Although it is foreseen that it will be granted temporarily, this period is prolonged for different reasons and it causes the indigent people continue to live with these aids. This situation will cause problems in the economy both in terms of the budget allocated for social assistances and the decrease in labor force.
This study was carried out based on the idea that individuals who received social assistance would make a habit of getting help and instead of doing regular work, they would be dependent on the help given to them. In this empirical study the relation between social assistance and unemployment has been observed with the data which between January 2005 and December 2017 in Turkey.

Keywords: Social Assistance, Unemployment, Labour Force, Social Policy.

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EFFECT OF EMPLOYMENT ON THE TIME ALLOCATION OF YOUTH IN TURKEY: EVIDENCE FROM TIME USE SURVEY

Zeynep Elitas*
Didem Pekkurnaz**

Abstract
The number of employed children between 15 and 17 age group was 601 thousand persons according to the results of 2012 Child Labor Force Survey in Turkey. Data indicates one-third of working children are ages 6–14 and two-thirds are ages 15–17. 34.3% of employed children between 15 and 17 age group were attending school, while 65.7% of children were not attending any school. Time allocation patterns may differ substantially between working individuals and not working. Therefore, investigating the effects of employment on the time spent while in school is crucial in understanding future outcomes for those individuals. For this purpose, we use detailed time-diary information on daily activities for age group 15 and 17 from the 2014–2015 time-use survey data conducted by Turkish Statistical Institute (Turkstat). Time-diary data provides a more detailed information than data derived from responses to “usual activity” survey questions on the effects of working on the time this age group spends on homework and other major activities. Time spent in those activities are estimated for youth in this age group as a function of their demographic characteristics and employment conditions. Results of this analysis provide policy implications regarding employment regulations for youth in Turkey.

Keywords: Youth employment, Time allocation, Time Use Survey, Turkey.

* University of Kocaeli.
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Abstract
The concept of financial crisis has reached a wide audience and gained a global dimension. The economies of the countries have felt the financial crisis more seriously dimension. The closest example of the global financial crises concept is the 2008 US Mortgage Crisis. The 2008 US Mortgage Crisis has effected the developed countries and then developing countries, gained a global dimension. Therefore, the effect of the crisis on the foreign direct investments has been inevitable. In this study, in order to see effect of the 2008 global economic crisis on foreign direct investments in Turkey were made intervention analysis. Whether there is negative of the effect of the 2008 crisis on foreign direct investments was investigated for the period 1980-2017. As a result, was concluded that effect of the 2008 Global Financial Crisis on foreign direct investment is negative.

Keywords: 2008 Global Economic Crisis, Foreign Direct Investments, Intervention Analysis.
2008 THE EFFECT OF GENERAL LEVEL OF HAPPINESS of GLOBAL CRISIS: THE CASE OF TURKEY

Zeynep Karaçor*
Burcu Güvenek**
Mevlüt Koca***

Abstract
Although the crisis of 2008 began as a mortgage crisis, it became a crisis that affected world trade. The fact that the mortgage market is located in almost all developed countries, the fact that most of the developing countries' foreign trade is realized to these developed countries has caused them to be affected by the crisis in these countries.

The crisis reduces the level of income in their economies, causing consumption, investment and savings to be affected. With the decrease in income level, the decrease in consumption affects the happiness levels of the society in general and households in particular. The level of general happiness, suicide cases, such as human factors can be analyzed shows that; global crisis, though causing a decrease adversely affect these two variables, Turkey's crisis only from foreign trade by way of indirectly affected by other variables such can be said to heal faster in Turkey than other countries in this variable.

In the study, firstly, when the basics of the financial crisis started to be formed, the general effect on the world will be given. It will then be referred to the various effects of the crisis on Turkey. After the literature review on the level of general happiness, empirical study will be included. At the end of the empirical study, it will be determined that a unit change in the level of general happiness continues for 5 years. Finally, work will move to the stage of giving Turkey the statistics used in the general level of happiness.

Keywords: 2008 Mortgage Crisis, Global Economic Crisis, General Happiness Level, Intervention Analysis.

* University of Selçuk.
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Abstract

One of the most important questions in the production is how to reduce the costs per unit. This can be accomplished by increasing the production scale or by producing different products together. Depending on the scale, the average costs in the long term will change. This leads to a reduction in output costs per unit as production is increased to a certain level. The most important advantage provided by economies of scale is to reduce unit costs. In the economies of scope, the cost advantage can be determined depending on the bundle of goods. Universities conducting secondary, undergraduate and graduate education activities in addition to research activities can be considered as multi-output economic units. In this context, the presence and degree of economies of scale and scope of the 109 public universities in Turkey was investigated using four-output quadratic cost function in this study. The empirical results show that the economies of scale exist in secondary and undergraduate education in public universities. On the other hand, it was determined that jointly production of the secondary and undergraduate education in universities leads to the cost complementarity and to economies of scope.

Keywords: Scale Economies, Scope Economies, Higher Education, Quadratic Cost Function.
AN ANALYSIS ON SUSTAINABILITY OF HEALTH EXPENDITURES IN TURKEY

Mustafa Ulvi Kafkasoğlu*

Abstract
According to Article 25 of the Universal Declaration of Human Rights, each individual has the right to medical care for the health and well-being of himself and his family. However, health services are not regulated in the same laws around the world. Although the health systems is different, it is seen that the share of health expenditures in the gross domestic product worldwide, especially in OECD countries, has been increasing trend especially in the last 30 years.

Gross domestic product ratio of public health expenditure in Turkey was realized as 2.91% in 1999, this ratio came to 4.44% level in 2008. The share of private health expenditures in total health expenditures is 1999.

While it was 1.85% in 2008, it was 1.64% in 2008. According to TurkStat data and OECD Turkey's health spending share of GDP rose from 5.4% in 2002, again in 2015, this ratio was 5.4%. While the share of the General Health Expenditures of the State in Total Health Expenditures was 62.9% in 2000, this rate was 77.5% in 2014. According to World Health Organization data, Turkey is situated in the middle group of health care spending in the world in comparison. Turkey, especially in health expenditures for drugs is higher than the OECD average. In order for the health system to be sustainable, it is necessary to reorganize the drug consumption habits and to strengthen the preventive health services. In addition, public funds can be reorganized in favor of poor households, and the promotion of preventive health services may be beneficial for sustainability.

Keywords: Health Expenditures, Government Expenditures, Sustainability.

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THE REFLECTIONS OF EXCHANGE RATE SHOCKS TO MACROECONOMIC INDICATORS IN TURKISH ECONOMY

Mücahide Küçüksucu*
Sevilay Konya**

Abstract

While prices of goods and services do not change momentarily, the value of money can change very quickly. The sudden and high dimensional changes in currencies are called as exchange rate shock. Exchange rate shocks change many macroeconomic indicators such as interest rates, inflation rates, imports, exports, growth and employment, and may cause serious economic crises in the long run. This study examines the effects of exchange rate increases starting from January 2018 on the macroeconomic indicators. In the framework, to be implemented in Turkey's economy beginners and Economics Program targets set in line with inflation Altogether Challenge Program will be discussed. Our study will be the basis of the Turkey Statistical Institute, according to the exchange rate shocks will be put forth size of the effect on macroeconomic indicators in Turkey. As a result of the study, it was determined that exchange rate shocks caused an increase in interest rates, import product costs increased significantly, prices of imports based consumption products increased rapidly and inflation rates increased.

Keywords: Exchange Rate Shocks, Macroeconomic Indicators, Turkey Economics.

* University of Necmettin Erbakan.
** University of Selçuk.

Selçuk Koç*
Faycal Adassouki Hassan**

Abstract
The modern economy faces many challenges, globally. One of the most important factors threatening economic, social and political stability and the fundamental problem is the high rate of unemployment in many countries of the world. Developing countries considered FDI in recent years to be one of the best alternatives to their economic growth. There are many factors that have an impact on them: globalization, the rapid development of high technology, the global economic crisis and the instability of global financial markets. The Underdeveloped countries and developing countries are publishing a set of measures to attract foreign direct investment, as it is one of the main ways to increase employment and reduce the unemployment rate. This issue has already been the subject of many studies, as stated by more researchers who provide strong evidence supporting the hypothesis that foreign direct investment brings important benefits to the host country. Accordingly, this article focuses on the impact of foreign direct investment on unemployment. And the relationship between FDI and unemployment and its economic impact on development within the CEMAC countries.

Our empirical analysis was performed on 6 CEMAC countries’ economies over the period from 1994 to 2017 on yearly data downloaded from the World Bank website. This analysis’ goal is to validate these assumptions: is FDI one of the main reasons for the unemployment of CEMAC countries during these last decades? ; Does FDI have more impact on the unemployment rate of CEMAC’s countries during this period.

Keywords: Foreign direct investment, Unemployment, Toda-Yamamoto procedure, Causality.

* University of Kocaeli.
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Abstract

Competition of countries for the sake of growth and development has caused to depletion of natural resources without any planning. With the economic development and mostly globalization, environmental degradation has exceeded the national borders. Many countries perceived that globalization would open a window to have access to more capital flows, technology, cheaper imports, and larger export markets. But these countries did not have any idea that the benefits of increased efficiency will not go to all countries equally. In this paper, the effects of globalization on the environment and sustainability are analyzed by considering its economic costs in different types of environmental degradation. And then, discussion is provided how the negative impacts can be minimized and the positive impacts can be maximized with presenting the theory of Environmental Kuznets Curve. However, it is noticed that the aim is not to reduce pollution damages to zero but reduce them to socially optimal levels. This optimal level is obtained where the marginal social benefit of the decreasing of the pollution equals the marginal social costs of the efforts to reduce pollution.

Keywords: Environment, Globalization, Development, Degradation.

*Yıldız Technical University.
SHALL THE COURT, ON ITS OWN MOTION AND WITHOUT ANY FURTHER INVESTIGATION, DECIDE ON BANKRUPTCY OF A SOLVENT CORPORATION IF IT EMERGES IN THE DEFINITE RESPITE THAT THE CONCORDAT WILL NOT SUCCEED?

Levent Biçer*
Mehmet Şua**

Abstract

Insolvency is not a condition to request the ordinary concordat. The situation is also the same during the proceeding. Therefore, it is possible to grant a definite respite after the provisional respite for the benefit of a corporation which is solvent but in the shortage of cash. The Article 292/1-b of the Code of Execution and Bankruptcy regulates that the court, on its own motion, shall decide on the bankruptcy if the court or the commissioners' board ascertain that the concordat will not succeed. However, the Code of Execution and Bankruptcy does not have any clear provision to determine whether the insolvency of the corporation in question is required. In the opinion of authors, it should be considered that the failure of the concordat project may result from external factors other than the corporation’s conducts and practices. In this respect, it is not always true to decide on the bankruptcy of a solvent corporation by the court’s own motion in any case. This is because a corporation, of which the concordat project is rejected due to reasons other than its fault, should be able to carry on its activities and should be permitted to overcome its financial distress by alternative methods. In the opinion of authors, such interpretation would be more compatible with the ratio legis of the concordat institution and with the Turkish Commercial Code.

Keywords: Insolvency, Bankruptcy, Shortage of cash.

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* University of Kocaeli.
** University of Kocaeli.
SOME EVALUATIONS ON THE SUPPOSITION AS PUBLICLY HELD CORPORATIONS OF JOINT STOCK COMPANIES IN WHICH THE MAJORITY OF THE SHARES ARE OWNED BY THE COOPERATIVES AND COOPERATIVE ASSOCIATIONS

Tuğba Semerci Vuraloğlu*

Abstract
The definition of the publicly held joint stock company has been changed by the virtue of the Article 16(3) of the Capital Market Law which is amended by Article 109 of the Law No. 7061, dated 28 November 2017. Thereby, the scope of the joint stock companies that are regarded as publicly held due to the number of its shareholders is expanded to joint stock companies, in which the majority of the shares are owned by the cooperatives and cooperative associations which have more than five hundred shareholders. Besides, Communiqué No. II-16.2 on the Principles Regarding the Joint Stock Companies in Which Majority of the Shares Are Owned by Cooperatives and Cooperative Associations has been published in the Official Gazette dated 19 September 2018, and entered into force on 19 October 2018. In our study, it is aimed to explain and evaluate the provision of law relating to the subject matter and the secondary regulation issued accordingly.

Keywords: Joint stock company, Publicly held corporation, Cooperative, Cooperative association, Being regarded as publicly held.

*University of Yeditepe.
PERCEPTION OF CONSUMERS FOR PUBLIC POLICIES TO REDUCE SMOKING CONSUMPTION

Gökhan Dökmen*
Mehmet Pekkaya**
Nurseda Saymaz***

Abstract

The diseases caused by tobacco (cigarette) use, the risk of death and the highly addictive nature, policies on cigarette control have made it a necessity in terms of public health. For this reason, politicians and public health planners are under the obligation of countries to develop effective interventions to reduce cigarette use. In the study, a questionnaire were applied to 392 participants who are smokers in Zonguldak for measuring the perception and views of them. According to the findings, it was observed that the majority of cigarette consumers were insensitive to the health damages of the cigarette and the high taxes of the state, but it was observed that the individuals who were not married and / or university educated against the other methods of fighting against smoking were partially sensitive. In this context, the taxes on cigarette consumption in Turkey, where users influence over the decision, only that evoke the feeling of more tax burden, if it is made to go forward more than provide income to the state.

Keywords: Fight against Tobacco, Public Policies, Hypothesis Testing.
Abstract

When the concept of rent, the return on soil which is one of the production factors is associated with the concept of city, urban rent comes out. In case of urban rent, it occurs as a result of public or private sector investments and results in property owners to obtain unfair profits without any labour or capital expenditure. Urban rent obtained without any labour expenditure should be transferred to the Public. However, as this doesn’t happen in market conditions, the intervention of the Government to the land market is required. In our country, there are no direct enforcement tools exist for transferring this rent to the Public. In this study, policies and tools for transferring the urban rent to the Public are mentioned and the necessity of urban rent tax is tried to be explained. As a result of analysis conducted specific to Zonguldak, due to various reasons the resulting urban rent cannot be transferred to the Public has been reached as a fact. Therefore, it has been concluded that existing enforcements are not effective, policies intended directly for urban rent taxing are necessary.

Keywords: Urban rent, Taxation of Urban Rent, Zonguldak.
Abstract
From Smith and Ricardo, considered as the pioneers of classical school, the basic source of the wealth of nations is described as the creation of an economic system in which the state is minimal and the construction of all the mechanisms of free market or capitalist system. On the basis of this view, it is stated that full wealth stage access will be reached in parallel with the removal of barriers to commodities, services, factors and financial markets, the establishment of the division of labor and specialization, the establishment of the free trade system and the acceleration of institutional development, and the leading indicators of national wealth have been determined. The main purpose of this study within this context is to examine whether the development process of today’s 14 developed countries has taken place in the light of the anticipation of the classical theory using panel dynamic threshold model in the period 1800-2016. The results of the analysis show that free trade is to be negatively related to economic growth up to the estimated threshold point, while the effect of free trade on economic growth turns positive beyond the estimated threshold point. Therefore, the validity of a U shaped linkage between free trade and economic growth can be said. On the other hand the findings point out that protectionism is to be positively related to economic growth up to the estimated threshold point, while the effect of protectionism on economic growth turns negative beyond the estimated threshold point. Therefore, the validity of an inverted-U shaped linkage between protectionism and economic growth can be said. However, it can be said that movements of protectionism have a greater effect than free trade in the context of accelerating the economic growth process.

Keywords: Free Trade, Protectionism, Economic Growth, Panel Dynamic Threshold Model.
PROVINCES OF TURKEY IN RESPECT OF HUMAN DEVELOPMENT INDEX

Fazıl Kayıkçı*
Soner Korkmaz**

Abstract
As human development has begun to be regarded as a fundamental element for economic development and a new economic development criterion called Human Development Index (HDI) has taken part in literature with an attempt of the United Nations Development Program to put human to the centre of development by the year 1990. This index that the United Nations (UN) has put forward has become the most commonly used and reference development criterion. In time, arguments have been raised indicating HDI is insufficient to measure the human development. So, some suggestions have been started to put forward to enhance this index. From this point of view, alternative approaches have been found for the HDI of the UN in this article. In this context, approaches such as the calculation of the income component without being subjected to logarithmic transformation, the consideration of the Gini coefficient in the calculation of the HDI and calculating the arithmetic mean of the square roots instead of taking the cubic roots by multiplying the three components of the HDI. Then, the values of the original HDI and new calculation approaches based on Turkey's 76 provinces selected agai by year and geographic region were calculated. According to the results, it has been seen that orders of the provinces are totally differed in the new calculation method compared to original index. It is observed that ignoring the income, one of the three component of HDI, or the differentiation of the income of provinces caused this result.

Keywords: Human Development Index, Turkey, Provinces.

* Yıldız Technical University.
** Yıldız Technical University.
Abstract
The technology level of the telecommunications sector is a vital factor in the development process of each country. In the beginning of the economic development, monopoly state telecom companies struggled with the low efficiency level and high cost than structure of the market is moving from a monopoly, through liberalization into an oligopolistic market, and then finally into a private monopoly.
A consideration of Turkish telecom market is fascinating because it impacts the technological and economic developments of public and private sector. The aim of privatization telecom market is to stimulate introduction of new network technologies and services and to introduce low priced telecom services. By analyzing the process of liberalization the Turkish telecom market, this paper aims to evaluate the positive and negative outputs of privatizations. Transforming state monopolistic telecom sector to market based economy leads to changing price and investment policies. In this paper the shares of the state and private companies in mobile and internet telecom market are examined. The aim of this paper is to determine the prices and technology level of the telecom market in Turkey after and before the privatization.

Keywords: Telecommunication industry, Competition, Privatization.
RELATIONSHIP BETWEEN OIL PRICES AND INFLATION: PANEL DATA ANALYSIS FOR SELECTED PETROLEUM IMPORTER COUNTRIES

Yusuf Bayraktutan*
Ali Rıza Solmaz**

Abstract
Petroleum and its derivatives, which are the main components of production and consumption activities, are among the most important items subject to international trade. Changes in world oil prices depending on supply and demand conditions, cause inflation, especially in oil importing countries. In this study, the inflationist effect of oil price changes in selected oil importer countries was examined. The annual data for the period of 1993-2017 were analyzed with panel data methodology, and it was concluded that oil prices had a stimulating effect on inflation.

Keywords: Oil Prices, Inflation, Panel Data Analysis.

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THE POWER AND REGULATION OF RATING AGENCIES IN THE CONTEXT OF GLOBAL FINANCIAL ARCHITECTURE

Vahit Ferhan Benli*

Abstract


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**Keywords:** Financial regulation, Financial stability, Financial crisis, IOSCO, Rating, Credit rating, Credit risk.
ECONOMIC AND FINANCIAL EFFECTS OF THE CONCORDATO AGENCY AND ANNOUNCEMENT OF CONCORDATO

Muhammed Sami Akkuş*

Abstract
In the regulation made by the Law No. 7101, the institution of suspension of bankruptcy was abolished from the application and instead, concordat application was introduced. With this application, the board of directors of the company or any creditor, together with the request of bankruptcy or in this context, the bankruptcy demand may be demanded concordat. Among the reasons for the abolition of the suspension of bankruptcy institution are the lack of creditors, the process between the debtor and the court, and the judicial problems. At the core of the concordat application; after the negotiation of the creditors and the debts of the creditors and the management of the company's assets and liabilities to be formed as a result of this agreement and the approval of the project by the competent court for the payment of short, medium and long term debts. In this study, the Konkordato institution, which is applied for companies and individuals who are forced to pay their debts, and to be able to pay their debts by getting rid of the economic bottleneck, have been examined. In addition, the financial and financial results of the declaration of the concordat have been mentioned and suggestions have been made by addressing the problems in practice.

Keywords: Concordat, Deadline, Concordat Commissioner.

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MARKET SOCIALISM CRITIQUE OF AUSTRIAN SCHOOL: 
OSKAR LANGE’S TRIAL AND ERROR METHOD AND 
ECONOMIC CALCULATION ARGUMENT

Sema Yılmaz Genç* 
Derviş Kırrıkaleli** 
Kadir Göçeri***

Abstract

“Economic Calculation in the Socialist Commonwealth” that was written by Ludvig von Mises in 1920 started an everlasting discussion by criticizing socialist order in an economic sense. Mises asserted that price and cost elements cannot be rationally computed in socialist countries based on central planning; besides, there is no competition and the right of private property. For this reason, it is impossible to calculate economic efficiency and economic calculation in socialist economies. With reference to Mises, factor prices cannot be calculated in socialist economies; so, production planning fails sooner or later. Representatives of the Austrian school pointed out that market socialism has no effectiveness by entering this fray of Mises with similar ideas. But however, Oscar Lange who was a Polish market socialist regarded these arguments of Austrian school as well as he denied the arguments. He suggested that economic efficiency and income equality can be provided simultaneously in economies based on central planning.

The purpose of this research was to offer an insight into the ideas of Oscar Lange and Austrian school within the context of economic calculation arguments in socialism.

Keywords: Market Socialism, Economic Calculation, Oscar Lange, Austrian School.

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19. YÜZYILDA ÇİN’DEN ÜLKE DIŞI’NA GÜMÜŞ PARA AKIŞI

Mehmet Emin Yardımcı*
Bodan İmanmahmet**

Abstract

Keywords: Qing Hanedanlığı, Afyon Ticareti, Afyon Savaşı, Çin.

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THE RELATIONSHIP BETWEEN PRECIOUS METAL PRODUCTION AND ECONOMIC GROWTH

Melike E. Bildirici*
Seyit M. Gökmenoğlu**

Abstract
In this study, the relationship between precious metal production and economic growth is analyzed by using Nonlinear Autoregressive Distributed Lag cointegration analysis method which allows investigating the effect of positive and negative changes in explanatory variables on dependent variable. We conducted the analysis by using GDP, gold, copper, silver, platinum production data of USA. According to analysis results we found strong evidence for long-run and asymmetric relationship between economic growth and each precious metal production.

Keywords: Precious Metals, Economic Growth, NARDL.

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EVALUATION OF THE COMMUNIQUE ON THE
“PROCEDURES AND PRINCIPLES REGARDING THE
IMPLEMENTATION OF THE ARTICLE 376 OF THE TURKISH
COMMERCIAL CODE NUMBERED 6102”

Ecrin Baydak*

Abstract
The Communique on the “Procedures and Principles Regarding the Implementation of the Article 376 of the Turkish Commercial Code Numbered 6102 (the “Communique”)” has been published by the Ministry of Commerce, in the Official Gazette dated 15 September 2018, numbered 30536 and entered into force as of its publication date. The Communique essentially regulates the application of Article 376 of the Turkish Commercial Code which concerns the capital loss and technical bankruptcy. The Communique is applicable to joint stock companies, limited liability companies and limited partnerships whose capital is divided into shares. Our work aims to outline the regulations of the Communique and especially its Provisional Article 1 in general.

Provisional article 1 of the Communique regulates the recognition of exchange difference. Exchange differences, in principle, shall be recognized as income or outcome in the period they arise. In Turkey, the foreign exchange rate has seriously increased in the recent period and the Turkish currency Lira has significantly fallen particularly against the USD and the Euro. Therefore, if the foreign exchange rate difference was recognized as the outcome in accordance with the exchange rate of the transaction date, many of corporates would sharply be in the position of ‘technical bankruptcy’. The provisional article 1 of the communique, to prevent the above mentioned unfavourable scenario, regulates that the foreign exchange losses deriving from not-yet-performed foreign exchange liabilities may not be taken into account. Accordingly, it is possible to base on the exchange rate of the date of performance instead of the exchange rate of the transaction date.

Evaluating the results that the Provisional Article 1 may cause in practice is also significantly important. For instance; issues such as acquisition of complete and accurate information about the company financials, responsibilities of board members and auditors and release of board members should be considered more particularly. Additionally, we will also be mentioning about the taxational extent of the Provisional Article 1 since we believe that the application of this Article may have some consequences in the context of tax law.

Keywords: Exchange difference, capital loss, technical bankruptcy.

*University of Yeditepe.
INCOME AND ASSET VALUE RELATIONSHIP: A NONLINEAR APPROACH TO CAPESIZE SHIPPING MARKET

Abdullah Açık*

Muhammet Rıdvan İnce**

Abstract
As the maritime market has a derived demand structure, it is affected very suddenly by shocks that occur in the global or regional economies. In maritime markets, and especially in the dry bulk market which have perfect competitive market characteristics, the freight rates are constantly fluctuating because the supply is very difficult to control due to ease of market entry. These fluctuations, which started in the freight market, also affects the other markets such as the second hand and the new building. There is no doubt that there is a causal relationship between them, however, as the markets are constantly open to unexpected shocks, the idea that these relations take on a nonlinear structure becomes strong. Therefore, it is considered that the relationship between the freight market and asset markets should be examined with non-linear methods. In this context, these possible relations are examined through a nonlinear method developed by Dicks and Panchenko through Capesize vessels, which are the largest tonnage vessel type used in dry bulk transport. This nonlinear method also detects lagged causal relations and provides insight into the period of influence. The data set used in the study consists of 229 observations on a monthly basis covering the dates between July 1999 and July 2018. The variables used in the study are the Baltic Capesize Index (BCI), 5 Years Old Capesize Value, 10 Years Old Capesize Value, and the Newbuilding Capesize Value. As a result of the nonlinear causal relationships examined up to four lags, bidirectional causal relations are determined between the Capesize freight index and the 5 and 10 years old Capesize ship value. However, there are unidirectional causalities from freight index to newbuilding vessel value. These results reveal that the freight market and the second hand markets are both influencing and affected markets, while the shipbuilding market is only the affected market.

Keywords: Capesize, Second Hand Market, Newbuilding Market, Nonlinear Causality.

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INDUSTRY 4.0 REVOLUTION AND THE FUTURE OF ACCOUNTING APPLICATIONS

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Abstract
The concept of Industry 4.0, which was put forward by the Germans in 2011 and started to be talked about in all developed and developing countries, is considered as a new revolution. Studies of artificial intelligence, which have a great influence in the developing world, sign the footsteps of this revolution. The MIT, that is one of the most prominent universities in the World, invest a billion dollars budget to build the faculty of artificial intelligence, is the most important example of this new phenomenon. By the revolution of Industry 4.0, it is aimed to create productivity, profitability and economical through developments such as the use of intensive technology especially in the production sector and the communication of objects via the internet. In this research, the revolution of Industry 4.0, which will significantly affect almost all aspects of human life, is explained how it will shape the future of accounting applications.

Keywords: Industry 4.0, Accounting, Accounting Applications.

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TESTING THE VALIDITY OF HYSTERESIS HYPOTHESIS IN
THE CONTEXT OF REGIONS OF TURKEY

Mustafa Kemal Beşer*
Ömer Faruk Günal**

Abstract
This study investigates the dynamics of unemployment in the context of regions. As known, natural rate of unemployment and hysteresis hypothesis have a place in explaining the dynamics of unemployment. For this purpose, panel unit root tests were conducted for the unemployment rates of 26 regions of NUTS2 level for the period 2004-2017. Results show that natural rate of unemployment hypothesis is valid for Turkey.

Keywords: Natural Rate of Unemployment, Hysteresis, Regional Unemployment, Panel Unit Root Tests.

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FORECASTING CONSUMER BEHAVIOUR WITH ROUGH SET APPROACH

Nilgün Güler Bayazıt*
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Abstract
With the increasing competitive conditions of present times, the marketing staff need to know how the consumers spend their time and effort, what the factors influencing their decisions are and develop marketing strategies based on these in order to attain success in marketing their products. With this goal in mind, the marketing staff feel the need to construct mathematical models that can anticipate consumer behaviour. The specification of this mathematical models are rather difficult and complex given the with the ever changing dynamics of current times. As a consequence, machine learning methods that are based on learning from data are used instead of formulating a mathematical model. Even though the models obtained by using these methods yield high performance in prediction, their interpretability is on a low level. In this work, a rule-based clasification method based on Rough Set theory has been used to determine the rules governing the consumer attitudes. Towards attaining our goal, a data set made up of 310 variables and 2389 observations collected by the Institute for World Economy of Romanian Academy has been used. Within the scope of a program supported by the World Bank, the open access data called Romania - Financial Literacy and Financial Services Survey can be accessed at the url address: http://microdata.worldbank.org/index.php/catalog/1027/datafiles. In the preprocessing step of the system developed, data has been cleaned off noise, missing values and outliers. Following this, a rough set theory based classification method has been applied to the data set to obtain rules that are effective in predicting consumer attitudes with high performance.

Keywords: Marketing, Consumer behaviour, Rough sets, Data mining.

* Yildiz Technical University.
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A VIEW TO 2008 FINANCIAL CRISIS FROM THE CINEMA MOVIES

Onur Oğuz*

Abstract
As a result of the financial crisis compared to the Great Depression of 1929, which started in 2008, many firms went bankrupt; many firms have been under the control of larger firms through purchase. The effects of the crisis, which has been tried to be stopped by almost all of the world, with the use of bond repurchase and money printing method, have continued in the real sector for a long time, even though the financial sector has been overtaken. In this study, it is aimed to look at the 2008 financial crisis which is accepted to be started with Lehman Brothers’ sinking and still according to some views. In the study, the evaluation of the crisis through the films determined by Fortune magazine and the 10-year period which was experienced during the crisis and the remainder of the crisis was evaluated through financial markets.

Keywords: Financial crisis, Cinema, Financial markets.

* Batman University.
IS GOLD A SAFE HAVEN? EVIDENCE FROM TURKISH FINANCIAL MARKET

Figen Büyükakın*
Ali Küçükçolak**
Necla Küçükçolak***

Abstract
A safe haven is anticipated to retain or increase in value during times of market turmoil while most assets are falling in value. Gold is often assumed as a traditional safe haven in times of stress. In this paper, after analyzing role and penetration level of gold within the financial system in Turkey, we first evaluated interaction of major developed and developing equity market indices as well as USD/TRY foreign exchange rate and a stock of a gold company listed in Borsa Istanbul with gold, via multivariable regression analysis. Furthermore, we also tested whether gold is representing a safe haven under extreme stock market conditions. Test results implies that gold serves as a safe haven for shocks exceeding 5% in the Turkish stock markets and is an important alternative for diversification and risk reduction purposes under negative market shocks by reducing losses for investors.

Keywords: Gold, Safe heaven, Financial markets.

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INCREASING TRADE RISKS AND ITS RESULT FOR THE GLOBAL ECONOMY

Nuray Terzi*

Abstract

Global trade is the driving force of total factor productivity and potential growth. In addition to its contribution to economic growth, trade liberalization also increases living standards. Global trade, which increased rapidly from global growth before the global financial crisis, started to fluctuate after the crisis and began to lose its trade growth momentum. Moreover, in recent years, the steps related to trade liberalization have decreased and the trade limiting actions have started to increase. With the tariffs that the US has tried to implement, trade risks have come to light and significant changes have been experienced in global trade relations and trade volume. Declining globalization support and the reluctance in trade reforms are reflected in commercial growth figures and threaten economic growth as a whole. Uncertainties in trade are increasing and trade risks arise. Therefore, this study will attempt to analyze the increasing trade risks and results in the global economy.

Keywords: Global trade, Trade risk, Trade arrangement.

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*Marmara University.
BASIS DYNAMICS OF DIGITAL ISLAMIC ECONOMY

Nuray Terzi*

Abstract

The digital economy shows a rapid growth in recent years. The digital economy, which reached a volume of $1.8 trillion as of 2014, is expected to reach $4.3 trillion in 2020. The developments in technology are effective in this growth trend and the leverage effect of e-commerce is increasingly risen. Many sectors, which take advantage of e-commerce, are rapidly reaching their potential customers both nationwide and worldwide. One of these areas is the Islamic markets that serve the Muslim community. Islamic markets have made significant progress both in the physical and digital spheres. The Islamic economy, which has made great progress with the digital economy, has begun to show itself more and more in the markets. Moreover, Muslim consumers who spend on products that are compatible with Islamic traditions have taken their place among the most spending consumer groups in the world. With this study, the basic dynamics of digital Islamic economy will be tried to be put forward.

Keywords: Digital economy, Digital Islamic economy, E-commerce.

*Marmara University.
COMMUNICATION TECHNOLOGIES AND PUBLIC RELATIONS MANAGEMENT

Leyla Şenol*

Abstract
Nowadays, there is a great change and development in communication technology. It is a fact that enterprises that do not comply with the developing technology will not be successful. The use of information and communication technologies in public relations is of great importance. The tools used to provide information, both visually and audibly, must be compatible with the developing technology. Especially the internet has become an important tool in public relations management due to its widespread use. Organizations with or without a commercial purpose, producing products or services, they want to reach wide audiences and have a positive impact on communities. Those who use communication technologies effectively gain a significant competitive advantage under global competition conditions. Businesses want to influence the purchasing decisions of their customers and have a prestigious impact on society. To be successful, there is a need for public relations experts who use information communication technologies. In this study, it is aimed to emphasize the importance of the subject by making literature research.

Keywords: Knowledge, technology, public relations, management, competition.

*University of Kocaeli.
Abstract
The occupational health and safety issue, which occupies an important place in the world, is given a great importance in our country. Efforts are being made to prevent occupational accidents and occupational diseases that may occur in all large and small enterprises. In this context, the psychological support, motivation and management factor given to the employees gain importance. In this study, in order to evaluate occupational health and safety in enterprises, considering the age and working hours of employees, a questionnaire was applied to evaluate the work experience, psychological attitudes of the employees, the training given and the efficiency of the management. Application results were analyzed by using spss program. In the study, it was concluded that management and education had an impact on the employees.

Keywords: Occupational Health and Safety, Occupational Diseases, Personal Protective Equipment, Motivation, Productivity.
DESIGN OF THE “URBAN IDENTITY AND CITY” IN KOCAELI LOCAL PRESS

Fatih Akbulut*  
Akın Deveci**

Abstract
The fact that mass media, especially newspapers, has an impact on identity formation is an argument that has been confirmed by many scientific studies. As Benedict Anderson puts it in his Imaginary Communities papers, newspapers play a dominant role to envision a union. The fact that the role of newspapers in the nation imagination on a macro scale could also be observed on a local level in revealing the urban consciousness needs for confirmation. Under the conditions where socialization as a new tribal form progresses towards different dynamics within itself, to reconsider the form of the urban identity and city in relation to urban sociology should be considered as the dominant form of socialization of the mediated communication in our age.

Over the past few decades Kocaeli has become one of the most rapidly and heavily migrated cities in Turkey. The purpose of this study is to analyze to what extend the local press, which is one of the most powerful in Turkey, have an impact on what the urban consciousness in Kocaeli province. The contribution of local newspapers to Kocaeli awareness will be examined. In total, all local press have around fifty thousand daily circulation and one hundred fifty thousand online view score.

Within the scope of our study, the news about the city published in the local press in 2017 will be analyzed with content analysis method and the quantitative data will be reached. The qualitative content analysis criteria will be included in the study and it will be tried to be determined by the content analysis method.

Keywords: Kocaeli, Urbanity, urban identity, local press, urban sociology.

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A NEW APPROACH FOR INTERNATIONAL SECURITY STUDIES: ECONOMICS AND SECURITY

Aslıhan Anlar*

Abstract
This study, inspiring from the political economic analyses, tries to find an answer to a basic question: What kinds of frameworks economic theories/factors provide us with for studying security relations/politics of states and international fora and to What extent are they relevant? This study is beyond the theories of war economics and interrelationship between wealth and power based on militarization. First of all, here, previous studies on importance of economics to enhance security, especially the ones which considers economic factors as a cause of war or democratic peace theories. After that, Barry Buzan’s theory will be looked into. Buzan transforms the “economics” from a cause of war into a referent object. Then, studies, looking at the conflict-civil war- failed state institutions and weak economy- shadow economy are pointed out. Finally, this study, by asking basic questions of security studies (for whom security, how much, by what means, at what cost, from which threats, in what time periods), attempts to find out explanatory power of economics regarding them. At the end, peace, as the most important determinant of the international security, is considered as an asset (as a scarce resource), by asking the question of “what would we have to give up to live in peace or to enlarge peace of zone more?”; concepts of “increasing, decreasing, constant opportunity costs and public goods” are added to the analyses.

Keywords: Security, Economics, Peace.

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THE ALLOCATION OF POWER BETWEEN SHAREHOLDERS AND DIRECTORS IN US CORPORATE LAW

Ekrem Solak*

Abstract
Over the last two decades, US corporate governance has witnessed a significant increase in the incidence and influence of shareholder activism. Shareholder activism, however, has been found to be inconsistent with US corporate governance which is framed within director primacy theory. In this theory, the board is able to carry out a unique combination of managerial and monitoring roles effectively, and shareholders are only capital providers to companies. Shareholder activism is normatively found inimical to effective and efficient decision-making, i.e. the board’s authority, and to the long-term interests of public companies. The increasing willingness of institutional shareholders to participate into the decision-making processes of their portfolio companies is at odds with US corporate governance. US shareholders have traditionally had limited participatory power. The way in which the courts perceived the board’s authority also stymied shareholder participation. This thesis argues that shareholder activism is necessary for improving the web of monitoring mechanisms and for a well-functioning director primacy model. Therefore, this thesis claims that a middle ground is possible, and that shareholder activism should therefore be accommodated into US corporate governance.

The proposed approach addresses accountability problems more effectively than the current director primacy model while recognising the board authority and enhances decision-making processes of public companies. In this regard, it makes several recommendations to soften the current director primacy model: establishing a level playing for private ordering, adopting the proxy access default regime, the majority voting rule, the universal proxy rules, and enhancing the disclosure requirements of shareholders.

Keywords: US corporate law; Shareholders; Shareholder activism; The allocation of power.

* Istanbul Medeniyet University
THE EFFECTIVENESS OF MONETARY TRANSMISSION UNDER INFLATION TARGETING REGIME IN TURKEY

Arzu Tay Bayramoğlu*
Nagihan Yaman**

Abstract
The effect of monetary policy instruments on the level of real production and prices is realized through channels of monetary transmission mechanisms. Accordingly, monetary transmission channels affect the output and the prices through interest rate, bank lending, exchange rate, asset prices and expectations. The Central Bank of the executive of the monetary policy aims to maintain price stability in Turkey using monetary policy tools. In this context, the inflation rate plays an important role in the formation of the monetary policy.

In this study, the effectiveness of monetary transmission mechanism channels were analyzed under the inflation targeting regime in Turkey using structural VAR method. According to the results of impulse response functions and variance decomposition based on the structural VAR model, the interest rate and credit volume instruments used by the CBRT as a means of monetary policy are influential on inflation. The findings show that bank lending channel, the interest rate channel, and the exchange rate channel are effective.

Keywords: Monetary Transmission Mechanism, Inflation Targeting, Structural VAR.

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POVERTY AND POVERTY PROBLEMS IN TURKEY

Arzu Tay Bayramoğlu

Abstract
Poverty, which is one of the most important problems of societies, has become a global problem today. This problem also causes various problems and has negative consequences. Macro and micro factors are effective in the formation of poverty. Some of the macroeconomic factors are globalization, economic crisis, unemployment and immigration. Recently, approaches to poverty reduction have become an important agenda item in the development process. In all countries with different levels of development, poverty reduction has begun to be among the main policies. In this study, the concept of poverty, its factors, causes of poverty and policies to fight against poverty are mentioned. Continue on the factors that determine poverty in Turkey, through which channels and has tried to determine the level at which it affects. Then the current distribution of poverty in Turkey were assessed by comparison with other countries, it focused on trying to apply alternative policies and solutions.

Keywords: Poverty, Poverty Alleviation, Globalization, Unemployment.
AN INVESTIGATION ON THE FACTORS AFFECTING THE INFORMAL EMPLOYMENT

Gökhan Karhan

Abstract
Informal employment can be defined as the fact that people who work in employment by working in legal jobs in terms of social security, are not reported to the relevant public institutions or organizations as a day or fee, or are reported as incomplete. Informal employment is one of the most important socio-economic problems facing all countries in today's world. Considering the general structure of this problem, it can be seen that there are differences between countries and regions. Different socio-economic structures of the countries make this difference. These differences affect the policies and development levels of the countries. Informal employment is directly or indirectly affected by the differences arising from the level of development. (Çelik, E. ve Güney, A., 2017: 214) In this study, the studies on informal employment are examined and the information about the phenomenon of informal employment is examined and the factors that cause informal employment are discussed together with the main headings and sub-headings. In the final stage, the factors affecting Turkey with the SGK data obtained by the households labor force survey was looking at the marginal effect is given in the work place and the results obtained.

Keywords: Informal employment, Labor Force, Unemployment, Growth.

* Batman University.
VOTING BEHAVIOR IN TURKEY IN THE CONTEXT OF
POLITICAL ECONOMY ANALYSIS

Melike Bildirici*
Fulya Özaksoy Sonüstün**

Abstract
When the related literature is examined, it is perceived that the Political Business Cycle Theory, which was firstly examined by Kalecki in 1943, shaped by the studies of Nordhaus (1975) and Lindbeck (1976). The foundations of the alternative model are based on the study of Hibbs (1977). This theory, which examines the interrelations of economics and policy disciplines, focuses on how political fluctuations in the economy affect the political decision-making process, voter behaviors within the framework of adaptive and rational expectations, pressure and interest groups, and the vote maximization behaviors of parties. In this study, the political business cycle in Turkey is examined in the context of opportunistic (opportunist) and partisan models.

Keywords: Political Business Cycle Theory, Opportunistic Model, Partisan Model, Voters’ Behavior.

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IMPACT OF POLITICAL STABILITY ON ECONOMIC GROWTH IN BRICS-T COUNTRIES

Gökhan Karhan*  
Yunus Açı**

Abstract
Political stability is one of the most important factors shaping the future expectations of economic actors. In this study, relationship between political stability and economic growth was investigated for BRICS-T (Brazil, Russia, India, China, South Africa, Turkey) countries by panel data method for period of 2002-2017. Causality relation between variables was exam by Emirmahmutoğlu and Köse (2011) and Dimitrescu and Hurlin (2012) causality test based on Rolling Windows. Results show that; there is a causality from political stability to economic growth in 2010 and economic growth to political stability in 2016.

Keywords: Political Stability, Economic Growth, Panel Causality Analysis.

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ABSTRACT BOOK

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