ICOAEF XIV
ABSTRACT PROCEEDING

28th-29th November 2025
Madrid - SPAIN

ICOAEF XIV

INTERNATIONAL CONFERENCE ON APPLIED ECONOMICS AND FINANCE

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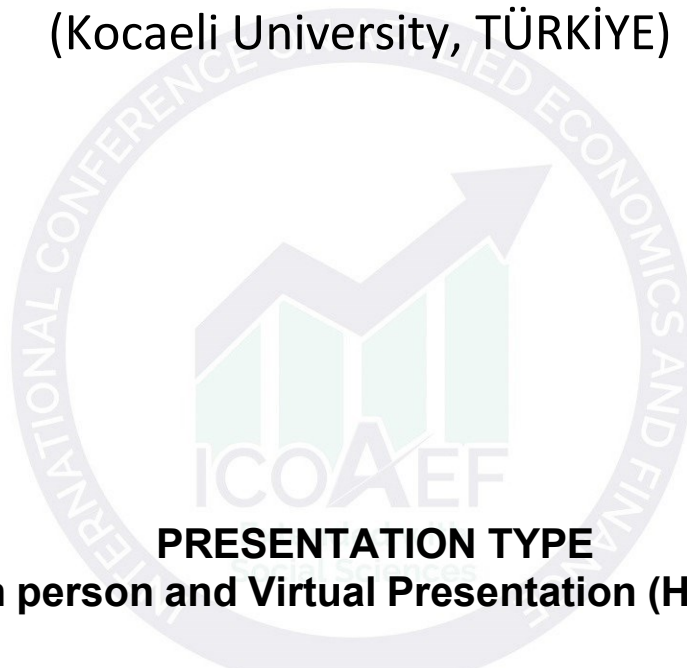
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WELLCOME MESSAGE

International Conference on Applied Economics and Finance (ICOAEF XIV) held on 28th-29th December, 2025 in Hard Rock Hotel in Madrid/Spain. We are glad ICOAEF-XIV gathered many successful academics and professionals around the World. 68 papers were submitted, and 57 papers presented during ICOAEF-XIV from 16 different countries.

This conference provided as a suitable platform for discussions about the researches. This conference abstract proceeding contains 58 papers presented both online and in person. ICOAEF-XIV participants consisted of from 15 different countries, 22 Turkish universities. Scientific board rejected 11 papers directly due to the inconvenience of conference topics, theme and structure of ICOAEF-XIV. Scientific committee also requested some corrections to 9 different papers then these papers accepted and presented during the conference. All submissions for ICOAEF-XIV scientifically reviewed and evaluated by scientific committee members.

We believe that ICOAEF-XIV provided an opportunity for national and international participants to present, discuss and share practical and theoretical issues in the fields of Economics, Finance and related social sciences. The papers submitted from 16 different countries beyond Türkiye. We accepted papers of the participants from Albania (2), Algeria (1), Cyprus (2), Czechia (3), France (1), Gambia (2), Germany (1), Greece (5), Italy (2), Kosovo (4), Kyrgyzstan (1), Malaysia (2), Poland (1), Romania (1), Russia (1), Türkiye (27), United States (12). Finally, we would like to thank Madrid Hard Rock Hotel in and our esteemed ICOAEF-XIV participants who shared their deep knowledge and experience at ICOAEF-XIV. We would like to be together in our following organizations.

On behalf of Conference Organisation Committee

Prof. H. Murat ERTUGRUL

ICOAEF-XIV International Conference on Applied Economics and Finance

November 28-29, 2025 / Madrid-SPAIN

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SUBJECTIVE WELL-BEING AND HAPPINESS IN THE WESTERN BALKANS: AN EMPIRICAL ANALYSIS OF LIFE SATISFACTION AND THE EASTERLIN PARADOX

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ABSTRACT

Happiness levels in the Western Balkans have shown notable improvement, reaching higher stages of development in recent years. This study seeks to analyze subjective well-being across Western Balkan countries, focusing on identifying the key factors that influence life satisfaction and assessing the validity of the Easterlin paradox hypothesis. The methodological framework involves the use of an Ordinary Least Squares (OLS) regression econometric model. The study is based on micro-structured panel data extracted from the Life in Transition Survey conducted by the European Bank for Reconstruction and Development (EBRD), specifically covering data from 2017. The analysis examines various socioeconomic variables, including income, employment status, health conditions, and social relationships, to determine their impact on life satisfaction. Empirical findings from the OLS model verify the proposed hypotheses and highlight that income plays a significant role, but it is not the sole determinant of life satisfaction, supporting the essence of the Easterlin paradox. Other factors, such as health and the quality of social interactions, emerged as significant contributors to subjective well-being. The study's results provide valuable insights for policymakers in the Western Balkans, suggesting that targeted social, economic, and fiscal reforms can effectively enhance the overall happiness and well-being of the population. Policymakers are encouraged to consider multifaceted strategies that go beyond economic growth, emphasizing improvements in public health, social cohesion, and employment quality. This research contributes to the literature on subjective well-being and provides a basis for evidence-based policy formulation aimed at elevating life satisfaction across the region. The findings underscore the importance of integrated policies to create a more holistic approach to advancing societal well-being.

Keywords: Subjective Well-Being, Life Satisfaction, Easterlin Paradox, Western Balkans, OLS Regression.

JEL Codes: I31, D60, O15, C21, O52, O57.

LIFE SATISFACTION AS AN INDICATOR OF WELL-BEING IN TRANSITIONAL SOCIETIES: THE CASE OF THE WESTERN BALKANS

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ABSTRACT

The main purpose of this study is to analyze the level of life satisfaction in countries undergoing transition, with a specific emphasis on identifying the key determinants of life satisfaction in the Republic of Albania. To address the research problem, this study employs a synthesis approach combining both descriptive and empirical analysis. Using microdata from the 2012 Living Standards Measurement Survey, the study applies Ordinary Least Squares (OLS) empirical techniques to identify the significant variables influencing life satisfaction. The econometric model for Albania highlights the primary factors affecting life satisfaction, such as income, age, education, health, family size, marital status, occupation, religion, and place of residence. The findings from the OLS regression analysis align broadly with the existing theoretical framework, confirming that income continues to have a significant effect on the level of happiness in transitional economies like Albania. Additionally, education, employment status, and profession play crucial roles in determining individual life satisfaction. Good health exhibits a positive and strong correlation with self-reported life satisfaction, underlining its importance in well-being. The study also finds that residence in urban areas, particularly in the capital region of Tirana, is associated with higher life satisfaction compared to rural areas. These results provide valuable insights for policymakers, suggesting that targeted interventions focusing on economic stability, education enhancement, employment opportunities, and healthcare access are essential for boosting overall life satisfaction. Urban development policies that promote balanced regional growth may also contribute to an equitable increase in well-being. The outcomes of this study can serve as a foundation for designing comprehensive government policies aimed at enhancing the well-being and life satisfaction of citizens in Albania and other transitional countries facing similar socio-economic conditions.

Keywords: Life Satisfaction, Subjective Well-Being, Developing Countries, Albania, OLS Analysis.

JEL Codes: I31, O15, C21, D60, O57.

FOREIGN DIRECT INVESTMENT, ECONOMIC FREEDOM, AND ECONOMIC GROWTH: A NEXUS FOR ECONOMIC DEVELOPMENT IN THE WESTERN BALKANS

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ABSTRACT

Foreign direct investment (FDI), economic freedom, and economic growth collectively form a crucial triad that fosters economic development and stability within a country or region. This paper explores the interplay among economic freedom, FDI, and economic growth, focusing on the Western Balkans. The primary objective of this study is to conduct an empirical analysis of how economic freedom affects the flow of FDI and, subsequently, how both FDI and economic freedom impact economic growth in the region. The research methodology involves both qualitative and quantitative models. The qualitative model encompasses a comprehensive literature review, drawing from academic sources, books, reports, and bulletins from reputable institutions such as the World Bank and the Heritage Foundation. This approach ensures a robust understanding of theoretical and practical insights. The quantitative model involves the collection and econometric analysis of statistical data from 2012 to 2022, examining key economic indicators relevant to the Western Balkans. The results of the analysis reveal that when economic freedom, FDI, and economic growth are aligned and mutually supportive, they establish a favorable and synergistic relationship that significantly contributes to economic, social, and political development in the Western Balkans. The study highlights that economic policies fostering greater freedom, transparent governance, and regulatory efficiency are essential in attracting FDI, which in turn spurs sustainable growth. The findings are particularly beneficial for policymakers, economists, and social scientists interested in formulating and implementing strategies that harness these factors to enhance regional development. Furthermore, this study serves as a resource for those keen to delve deeper into the dynamics of economic freedom, FDI, and growth in the context of developing regions such as the Western Balkans.

Keywords: FDI, Economic Freedom, Economic Growth, Western Balkans.

JEL Codes: F21, F43, O47, O11, O52, P33.

BRIDGING ENERGY AND FINANCE: DYNAMIC COPULA DEPENDENCE AND POLICY LESSONS FROM BALKAN AND EMERGING MARKETS

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ABSTRACT

Energy and financial markets are becoming increasingly interdependent, especially under the influence of global shocks, policy interventions, and geopolitical uncertainties. In emerging and transitional economies such as those in the Balkans, this nexus is further intensified by structural vulnerabilities and heavy reliance on energy imports. Understanding the evolving dynamics of this relationship is crucial for shaping effective fiscal and energy-related policies. Building on the theoretical framework of financial contagion and energy-finance linkages, this paper contributes to the literature by examining how energy and financial markets co-move across different national contexts, with a particular focus on the less-explored Balkan region.

The primary objective is to quantify the cross-country dependence structure between energy prices and financial market returns, while also assessing the influence of energy policy interventions and global shocks—including COVID-19 and the Russia–Ukraine conflict—on this dependence. Methodologically, the study employs time-varying copula models to capture nonlinear dependencies between daily energy prices (oil, gas, and electricity indices) and stock market returns across 10 Balkan and emerging economies from 2010 to 2025. Structural break tests and regime-switching copulas are applied to account for abrupt policy shifts and geopolitical disruptions, complemented by a fixed-effects panel regression to evaluate comparative policy impacts on energy–finance decoupling trends.

The findings indicate substantial heterogeneity in energy-finance dependence across countries, with stronger tail dependence during periods of crisis. Evidence shows heightened co-movements after 2019, particularly in economies with undiversified energy portfolios. Policy measures such as subsidies and diversification strategies exert a dampening effect on dependence structures, while global uncertainty amplifies systemic linkages.

The study concludes that effective risk management in Balkan and emerging economies requires both tailored financial policies and coordinated regional energy strategies. The results highlight the necessity of integrating energy diversification and hedging mechanisms to mitigate systemic vulnerabilities.

This research is among the first to apply time-varying copula models to the energy-finance nexus in Balkan and emerging markets, offering a novel perspective that combines statistical dependence modeling with policy analysis. The insights provide practical value for policymakers, investors, and scholars concerned with financial stability and sustainable energy transitions in emerging regions.

Keywords:, Copula Models, Balkan Economies, Emerging Markets, Time-Varying Dependence, Financial Risk.

JEL Codes: G58, G15, Q40.

SUDDEN STOP IN USA AND CHINA CAPITAL MARKETS

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ABSTRACT

The aim of this study is to determine the periods of sudden stops in the USA and China capital markets, the two main actors of the global financial system, and to examine the possible causes of these periods, due to the increasing vulnerabilities in the global economy in recent years, especially the accelerated capital movements after the 2008 global financial crisis, the pandemic process and the subsequent wave of global monetary tightening, political tensions with the USA-China trade wars, trade restrictions, and the increasing vulnerabilities in the global economy in recent years. Quarterly foreign direct investment, real effective exchange rate, and portfolio investment data for the period 2010-2024 were used. Sudden stops were identified using the criterion of a capital inflow growth rate falling two standard deviations below the mean, using the approach of Calvo et al. (2004). In the econometric analysis, the Structural VAR (SVAR) model was applied to measure the causal relationships between capital movements and the effects of structural shocks. The findings show that portfolio investments are more vulnerable to sudden stops compared to foreign direct investments and therefore create an additional risk element in the financial system. It was concluded that macroprudential policies should be strengthened to reduce the vulnerabilities of short-term capital flows, investor confidence should be increased, and exchange rate policies should be maintained to encourage long-term investment.

Keywords: Sudden Stop, Capital Markets, Structural Shock.

JEL Codes: F32, G15, C32.

DETERMINATION OF CAPACITY UTILIZATION RATE AND PRODUCTION-CONSTRAINING FACTORS IN THE MANUFACTURING INDUSTRY

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ABSTRACT

The capacity utilization rate is a critical indicator showing how much of an economy's production potential is being utilized. Identifying the factors that limit production is crucial for planning production processes and utilizing resources effectively. This study examines the determination of capacity utilization rates in manufacturing industry enterprises, identifies the factors that restrict production, and investigates the main factors that cause the capacity utilization rate to fall below the 70% threshold. In this context, data was collected and analyzed using a survey method from companies operating in the Kocaeli İMES Organized Industrial Zone. Based on this data, a detailed analysis of the factors whichrestrict production was conducted to develop strategic recommendations to improve company's performance, contribute to the more effective use of the region's industrial potential, also identify the factors contributing to the decline in the capacity utilization rate. For this purpose, the analysis was conducted using binary logistic regression. The variables used in the analysis are defined basedon whether the Capacity Utilization Rate was below or above 70, and consist of variables representing production constraints such as insufficient demand, labor shortages, difficulties in accessing raw materials, and financial problems. The findings of the logistic regression analysis revealed that insufficient demand significantly increases the likelihood of the capacity utilization rate falling below 70%. This is followed by labor shortages, insufficiencies in raw materials/equipment, and financial difficulties. The results highlight that, consistent with the literature, demand conditions play a decisive role in capacity utilization, and emphasize the need to develop capacity management strategies specific to each sector and region.

Keywords: Manufacturing Industry, Capacity Utilization Rate, Logistic Regression.

JEL Codes: L6, E22, C38.

MONETARY POLICY, INFLATION, AND INCOME INEQUALITY IN TURKEY

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ABSTRACT

The interaction between monetary policy, inflation, and income inequality has become an increasingly salient issue in both theoretical and empirical economics. Although monetary policy is primarily designed to maintain price stability and promote sustainable growth, its distributional consequences have gained notable attention, especially after the global financial crisis. Through channels such as interest rates, credit access, asset prices, and employment, monetary policy may influence the allocation of income and wealth across different groups, thereby shaping inequality patterns within an economy.

In emerging economies like Turkey, where inflationary pressures are persistent and financial markets are relatively shallow, these effects are often magnified. Since the early 2000s, Turkey has experienced alternating periods of monetary tightening and loosening, frequent exchange rate fluctuations, and prolonged inflation episodes. These dynamics have had uneven impacts across income groups, raising important questions about how monetary instruments affect social equity alongside macroeconomic outcomes.

High and volatile inflation has been shown to erode real incomes disproportionately, particularly among low-income households that lack financial hedging mechanisms. Meanwhile, expansionary monetary policies, despite their short-term benefits for output and employment, can increase inequality through asset price inflation and credit-based gains that favor wealthier households. The Turkish experience illustrates both dimensions of this trade-off, making it a compelling case to examine how price stability and income distribution interact under different monetary regimes.

This paper aims to analyze the relationship between monetary policy, inflation, and income inequality in Turkey by employing an empirical framework that combines indicators of monetary stance, inflation trends, and inequality measures. The study contributes to the growing literature on the distributive effects of monetary policy, emphasizing the need for a policy mix that ensures not only macroeconomic stability but also social inclusiveness in a structurally volatile economy like Turkey.

Keywords: Monetary Policy, Inflation, Income Inequality, Emerging Markets.

JEL Codes: E52, E31, D31.

THE NONLINEAR EFFECT OF URBANIZATION ON MIDDLE EAST AND NORTH AFRICA'S FEMALE LABOUR FORCE PARTICIPATION RATE

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ABSTRACT

This study investigates the nonlinear relationship between urbanization and female labour force participation (FLFP) in eighteen Middle East and North Africa (MENA) countries over the period 2002–2022. The paper aims to examine whether urbanization exerts differential effects on women's participation in the labour market depending on a country's level of economic development. Drawing on the literature linking urbanization, modernization, and gendered labour market outcomes, the study explores the "MENA Paradox" which highlights persistently low FLFP rates despite rising education levels and urban growth. The analysis employs Hansen's (1999) panel threshold regression model, using GDP per capita as the threshold variable and urbanization as the threshold-dependent variable. Additional explanatory factors—such as fertility rate, life expectancy at birth, gender norms, and the male employment-to-population ratio—are incorporated to capture structural and socio-demographic influences. The empirical results reveal a significant nonlinear effect of urbanization on FLFP. The F-statistics indicate the presence of a single threshold effect on GDP per capita. Specifically, higher urbanization levels negatively influence women's labour force participation both below and above the income threshold levels of 7,691 (2,188.62 USD). Although urbanization is theoretically expected to enhance employment opportunities for women, the findings suggest that in MENA economies, it has not sufficiently translated into productive or paid work participation. This indicates that urbanization in MENA has not generated a structural transformation conducive to women's employment; rather, existing gender norms and constraints are being reproduced within urban settings. Consequently, urbanization may reinforce gender and social inequalities, contributing to the persistence of the region's structural anomaly.

Keywords: Urbanization, Female Labour Force Participation, Nonlinear Effect, MENA, Panel Threshold Regression.

JEL Codes: J16, O18, C23

COMMUNICATION, PARTICIPATION, AND RELATIONSHIPS AS PREDICTORS OF EMPLOYEE SATISFACTION IN PUBLIC TRANSPORT IN THE CZECH REPUBLIC: AN EMPIRICAL STUDY

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ABSTRACT

Employee satisfaction ranks among the most frequently examined topics in human resource management, organizational psychology, and management research. Its significance extends beyond the individual level — numerous studies have confirmed that higher employee satisfaction contributes to better job performance, lower turnover, and stronger organizational loyalty. International research consistently identifies leadership quality, internal communication, and interpersonal relations in the workplace as the key determinants of satisfaction. Equally important is the sense of psychological ownership and identification with the organization, which strengthens engagement, trust, and a sense of belonging.

In the Czech context, studies on work attitudes have mostly focused on general job satisfaction, motivation, and turnover. However, there is still a lack of detailed empirical research exploring the interrelations between various dimensions of satisfaction and employees' perceptions of economic participation and workplace democracy. Yet, the topic of employee participation remains highly relevant — not only from the perspective of organizational culture, but also in relation to sustainable development and economic democracy.

This study analyzes the factors influencing employee satisfaction in organizations providing public transport services in the Czech Republic. Based on data from a questionnaire survey (N = 573), it examines employees' perceptions of interpersonal relationships, internal communication, participation in decision-making, awareness of economic democracy, and work–life balance. Using Ordinal Logistic Regression (OLR), the probability of overall job satisfaction was modeled based on these variables.

The results indicate that the most significant predictor of satisfaction is the quality of internal communication, followed by employees' sense of belonging to the organization and interpersonal relations at the workplace. The study provides empirical evidence for the importance of open communication, participatory culture, and organizational trust as key factors shaping the multidimensional construct of employee satisfaction.

Keywords: Employee Satisfaction, Psychological Ownership, Economic Participation, Workplace Democracy, Organizational Culture.

SEGMENTING GENERATION Z: A CLUSTER ANALYSIS OF STUDY MOTIVATION AND LEARNING PREFERENCES OF UNIVERSITY STUDENTS OF ECONOMICS

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ABSTRACT

The aim of this study was to identify the study preferences of Generation Z students at an economics-oriented university, with a focus on their motivation for studying, learning styles, preferred forms of instruction, types of study materials and formats, attitudes toward seminar papers, and the amount of weekly self-study. The research employed a quantitative approach using a questionnaire (N = 171), with items measured on a four-point Likert scale. The data were analyzed using descriptive statistics, Spearman correlation analysis, and cluster analysis (K-means). Based on their motivation for studying, respondents were categorized into three typological groups: (1) goal-oriented students focused on professional and personal development, (2) pragmatists valuing practical orientation and a degree as a means to an end, and (3) students seeking direction through change and creative learning. Correlation analysis revealed statistically significant relationships between study motivation and preferred learning styles, instructional methods, and seminar paper formats. The reliability of individual questionnaire sections was verified using Cronbach's alpha, with the highest internal consistency found in the section on motivation for studying ($\alpha = 0.756$). The results highlight the need for a differentiated teaching approach that reflects the heterogeneous motivational and cognitive profiles of Generation Z students. Teaching should combine traditional and practical methods, encourage active engagement, and provide meaningful feedback.

Keywords: Cluster Analysis, Generation Z, Learning Preferences, University Students.

SOCIO-ECONOMIC CONSEQUENCES OF THE IMPROVEMENT OF PUBLIC SPACES

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ABSTRACT

The paper studies how Moscow government street improvement program affected small businesses. The data on the number of small businesses (shops, restaurants and other amenities) opened and closed on the streets in the central districts of Moscow from 2012 to 2019 was collected and employed in a difference-in-difference regression analysis to estimate the impact of the program on the dynamics of small businesses comparing treated (renovated) streets after improvement to the untreated ones. I found strong positive effects of the street improvement policies on the activity of small business – an average Moscow central street saw an increase of about two additional businesses per kilometer after the renovation. Moreover, the positive effects increased over time. The results highlight the importance of public investment in urban infrastructure to stimulate the growth of private businesses. A further work is needed to assess the economic efficiency of improving public spaces using cost-benefit analysis, and model the impact of public space improvement projects on urban socio-economic indicators.

Keywords: Street Renovation, Small Business Development, Urban Economics, Public Economics.

JEL Codes: R15, R30, R38.

IMPACT OF THERAPEUTIC PART-TIME WORK ON SICKNESS ABSENCE IN FRANCE: EVIDENCE FROM ADMINISTRATIVE DATA

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ABSTRACT

Long-term sickness absence cost France €20.3 billion in 2023. The therapeutic part-time work scheme (TPT) is designed to facilitate employees' return to work while simultaneously reducing sickness absence. Despite its widespread use, causal evidence on its effectiveness remains limited. To evaluate TPT's causal effect on subsequent sickness absence among French private sector employees.

Using Déclaration Sociale Nominative data from Malakoff Humanis (2018–2024), we studied 43 906 workers with sickness absences. We applied the dynamic difference-in-differences estimator (de Chaisemartin and D'Haultfoeuille, 2024) to estimate quarterly treatment effects over eight post-treatment quarters. Outcomes included sickness absence frequency, duration, and the distribution of episodes across categories (1–7, 8–14, 15–29, 30–59, 60–92 days). We also performed stratified analyses by gender, age, and occupational group (CSP). TPT participation reduced quarterly sickness absence by 21.09 days (a 45% reduction from baseline 46.83 days). Effects peaked in quarters 2–3 (-14.91 and-11.49 days) before attenuating to-6.21 days after two years. The program primarily prevented long-duration absences (60–92 days: -27.9 percentage points) while slightly increasing short-term absences (<30 days). Stratified analyses highlighted heterogeneous effects across gender, age, and occupational groups.

TPT is an effective tool for supporting return to work and reducing sickness absence, particularly by preventing escalation into prolonged absences. Its effects vary across socio-demographic groups, underscoring the importance of tailored implementation.

Keywords: Therapeutic Part-Time Work, Sickness Absence, Return-to-Work, Difference-in-Differences, France.

ASSET PRICES AND THE WEALTH EFFECT IN TURKEY: RETHINKING THE ROLE OF GOLD AND HOUSING IN MONETARY TRANSMISSION

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ABSTRACT

This paper investigates whether rising gold prices and housing prices weaken the effectiveness of the monetary transmission mechanism in the Turkish economy, with a particular focus on the wealth effect channel. Turkey represents a distinctive case among emerging markets, as households allocate a substantial share of their portfolios to gold and real estate rather than to liquid financial assets. This structural preference may distort the standard transmission of monetary policy by altering how households perceive and react to changes in interest rates.

The theoretical framework builds on the conventional monetary transmission channels—interest rate, asset price, credit, and expectations—while emphasizing how asset composition shapes the wealth effect. In theory, tighter monetary policy should reduce households' real wealth, thereby dampening consumption. However, in economies where gold and housing operate as inflation hedges or safe-haven assets, the expected contractionary effect may be attenuated or even reversed.

To test these mechanisms, the study employs monthly data for the period 2012–2024 and applies a combination of ARDL bounds testing, structural VAR (SVAR) analysis, and structural break tests to evaluate both short-run and long-run dynamics. Gold prices, the housing price index, the policy rate, credit aggregates, and private consumption serve as the core variables. This multi-method strategy allows the paper to disentangle the asymmetric and regime-dependent effects of asset price movements on monetary policy pass-through. The empirical results reveal that increases in gold and housing prices significantly weaken the response of private consumption to interest rate shocks, indicating a deterioration of the wealth effect channel. Gold prices, in particular, exhibit a countercyclical pattern during periods of monetary tightening, acting as a buffer against the intended contractionary impact. Housing prices amplify this effect by strengthening household balance sheets through collateral and valuation channels. The study concludes that asset-price-driven distortions pose a meaningful challenge for monetary policy in Turkiye. Strengthening financial deepening, expanding access to diversified financial instruments, and incorporating macroprudential measures targeting speculative asset dynamics are essential for improving the overall effectiveness of the monetary transmission mechanism.

Keywords: Gold Prices, Housing Prices, Monetary Transmission Mechanism, Wealth Effect, Turkiye.

NAVIGATING THE GREEN TRANSITION: A QUANTILE-ON-QUANTILE ANALYSIS OF CARBON PRICING AND FINANCIAL MARKET DYNAMICS

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ABSTRACT

As carbon pricing mechanisms become central to global climate policy, understanding their multifaceted impact on financial markets is of paramount importance. Traditional linear models often fail to capture the complex, non-linear, and state-dependent relationships between carbon prices and asset returns. This paper addresses this gap by employing a quantile-on-quantile regression (QQR) and quantile causality framework to investigate the dynamic connectedness between European Union Emissions Trading System (EU ETS) carbon prices and key financial markets.

Using daily data, we analyze the asymmetric impact of carbon price fluctuations across the entire conditional distribution of returns for both "dirty" (STOXX Europe 600 Utilities, STOXX Europe 600 Energy) and "clean" (S&P Global Clean Energy) sector equity indices. Furthermore, we extend the analysis to broader market indices (STOXX Europe 600) and critical energy commodities (Brent Crude Oil, TTF Natural Gas) to map the spillover effects. The model controls for market volatility (VSTOXX), economic policy uncertainty, and interest rates to isolate the specific influence of carbon pricing.

The QQR approach allows us to uncover how the magnitude and direction of the relationship change under different market conditions, such as during periods of extreme positive or negative returns (i.e., bull and bear markets). The quantile causality tests further illuminate the causal linkages, particularly in the tails of the distributions, revealing whether extreme movements in carbon prices lead to subsequent extreme movements in financial assets.

Our expected findings will provide granular insights for investors seeking to manage portfolio risk and identify opportunities in the green transition. For policymakers, this research offers a more nuanced understanding of the potential financial stability implications of carbon pricing policies, especially during periods of market stress. This study contributes to the literature by moving beyond average effects to provide a comprehensive, distributional perspective on the financial implications of decarbonization policies.

Keywords: Carbon Pricing, EU ETS, Green Transition.

JEL Codes: C58, Q43, Q54.

ICOAEF-XIV International Conference on Applied Economics and Finance

November 28-29, 2025 / Madrid-SPAIN

THE DYNAMICS OF ENERGY TRANSITION IN SELECTED COUNTRIES

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ABSTRACT

Energy transition is an indicator that reveals how countries can access energy. Energy transition depends on physical conditions such as infrastructure, policy, capital structure, as well as factors such as security, equity, sustainability. Geopolitical, financial, and climate pressures can create barriers that hinder energy transition; on the other hand, they can also provide motivation to accelerate the energy transition process. The increasing importance of the energy transition process today has motivated this study to identify the key determinants of ETI performance and the causal relationship between ETI and energy transition. Turkey ranked 50th in the world with an ETI score of 57.9 in the report titled "Promoting Effective Energy Transition, 2025" published by the World Economic Forum. Based on this report, Turkey and developing European countries with high performance from Turkey were included in the study. Considering data access restrictions, the countries mentioned in our study (Latvia, Lithuania, Hungary, Croatia, Bulgaria, Romania, Albania, Azerbaijan, Poland, Slovakia, Turkey, and Armenia) were examined for the 2019-2024 period. The dynamic relationship between the ETI dependent variable and the independent variables of GDP per capita, political stability, carbon dioxide emissions, inflation, foreign direct investment was analyzed using the Generalized Method of Moments (GMM). The superiority of GMM in addressing potential heterogeneity and endogeneity issues in the model was the reason for using this method in this study. The Arelonna Bond Test results confirmed the validity of the independent variables, consequently, the consistency of the model. After determining the valid effect of the independent variables on the dependent variables, the causality relationship between the variables was analyzed using the Dimitrescu Hurlin Causality Test. The analysis results revealed a unidirectional causality relationship from inflation, foreign direct investment, GDP per capita to ETI. The analysis results showed a reciprocal causality relationship between ETI and carbon dioxide emissions. In summary, the findings of the study emphasize the need to support the energy transition process with environmental, economic, financial, institutional foundations. In developing sustainable energy policies, foreign direct investment should be encouraged, equal opportunities for access to renewable energy sources should be ensured, and environmental impacts should be assessed.

Keywords: Energy Transition Index, Sustainability, Generalized Moments Method.

JEL Codes: C01, Q43, Q5.

THE IMPACT OF RENEWABLE ENERGY ON ECONOMIC GROWTH- A SVAR APPROACH- EVIDENCE FROM ALGERIA

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ABSTRACT

This study examined the effect of renewable energy consumption (REC) on economic growth (GDP) in Algeria for the period 1990 to 2022. We tried to analyze the relationship between economic growth (GDP), renewable energy consumption (REC), energy consumption (EC), and CO2 emissions, we using the SVAR model to solve the traditional identification problem and Granger Causality Tests. Results of unit root tests show that all variables are stationary in first difference form From the Granger causality result, there is no causality between (GDP) and renewable energy consumption, but there is unidirectional causality running from GDP to energy consumption. Shows that there is no evidence of co-integration among the test variables, The findings of this study reveal that a positive shock in REC increases both of economic growth, and we find that a positive shock in energy consumption (EC) has a very small positive impact on economic growth that a positive shock in CO2 emissions increases both of economic growth and energy consumption, these results indicate that the increase in renewable energy consumption does not affect the GDP of Algeria. The governors should promote this kind of energy to assign a large part of total energy consumption to it.

Keywords: Education, Nighttime Light, Elections, Regression Discontinuity Design, Brazil.

THE EFFECT OF REAL EXCHANGE RATE CHANGES ON TRADE BALANCE: A NARDL APPROACH

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ABSTRACT

The relationship between exchange rate movements and trade balance has long been central to discussions on external competitiveness, especially in developing economies such as Türkiye. Exchange rate fluctuations influence export performance, import demand, and consequently overall trade dynamics. Understanding this relationship is crucial for designing effective exchange rate and trade policies. This study analyzes the impact of real exchange rate changes on Türkiye's manufacturing trade balance with Germany over the period 2013:01–2025:07. It focuses on the bilateral trade balance between Türkiye and Germany and solely on the manufacturing sector to avoid "aggregation bias". Since real exchange rate changes affect the trade balance in an asymmetric manner, the study employs the Nonlinear Autoregressive Distributed Lag (NARDL) model, which captures both short- and long-run asymmetries between depreciation and appreciation. The empirical findings confirm the existence of asymmetry in the relationship between the real exchange rate and the manufacturing trade balance between Türkiye and Germany. In the symmetric model, no significant relationship is observed between the real exchange rate and trade balance. However, in the asymmetric model, depreciation positively affects the trade balance, whereas appreciation has no significant effect.

Keywords: Real Exchange Rate, Trade Balance, Asymmetry, NARDL.

JEL Codes: F31, F32, C22.

THE HEXACO MODEL OF PERSONALITY AND DARK TETRAD RELATIONSHIP IN EMPLOYEES

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ABSTRACT

In business, Dark Tetrad structures are often associated with maladaptive organizational outcomes such as counterproductive behaviors, low job performance, interpersonal conflicts, and bullying. However, it has been reported that psychopathy can also lead to success in business under certain circumstances, in the context of various personality traits such as courage and responsibility. This study aimed to examine the personality traits of employees based on their Dark Tetrad structures using the six-factor personality model. A total of 232 employees, 147 female (63.4%) and 85 male (36.6%), participated in the study online via a web-based application. Participants completed the long-form Six-Factor (Honesty-Humility, Emotionality, Extraversion, Agreeableness, Conscientiousness, Openness to Experience) Personality Inventory (HEXACO) and the Dark Tetrad Scale (K4). The total scores for the Dark Tetrad constructs (Machiavellianism, Narcissism, Psychopathy, and Sadism) were cut off at one standard deviation below and one standard deviation above the mean to create three groups. These three groups were then compared using a MANOVA for their total personality factor scores. Statistically significant differences were found between the Machiavellianism groups for total Honesty-Humility, Emotionality, Agreeableness, and Conscientiousness factor scores, and similarly between the Narcissism, Psychopathy, and Sadism groups for total Honesty-Humility, Emotionality, Agreeableness, and Agreeableness factor scores. When the differences were examined, it was found that the high Machiavellianism, Narcissism, Psychopathy, and Sadism groups had lower total Honesty-Humility, Emotionality, Agreeableness, and Conscientiousness factor scores. No differences were observed between the Dark Tetrad groups for the Extraversion and Openness to Experience factors. The findings revealed the importance of the factors as structures of the six-factor personality model in terms of the dark tetrad structures in employees.

Keywords: Dark Tetrad, Personality, HEXACO, Employee.

JEL Codes: M12, O15, D91.

THE ASYMETRIC IMPACTS OF GLOBAL FACTORS, STRESS AND UNCERTAINTY ON STOCK RETURNS: FRESH INSIGHTS FROM TÜRKİYE

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ABSTRACT

The study aims to investigate the impacts of global macroeconomic factors, stress and uncertainty on stock returns in Türkiye. In this conrext, the study focuses on Borsa İstanbul Stock returns and considers seven factors – financial stress, global economic policy uncertainty, bitcoin, gold, EUR/USD parity, VIX volatility index and financial services confidence index – and uses quarterly data between 2015 Q3 – 2025Q2. The study applies ARDL approach using bounds tests examining co-integration and causality. The first advantage of ARDL approach is that can be used to apply the bounds test even if the series are stationary at level or first difference values, second one is that can produce more reliable results than the traditional co-integration tests. Our findings reveal that higher financial stress and global economic policy uncertainty are associated with lower stock returns which potentially affect financial performance negatively. Similarly, VIX has a negative impact on stock returns. Moreover, the relationship between bitcoin and stock returns is significant. The gold prices and stock returns have negative correlation, stock returns decrease while gold prices increase. In terms of Türkiye, the effect of EUR/USD on stock returns is insignificant for the selected period. Financial services confidence index has a positive effect on stock returns in Borsa Istanbul.

Overall, our research sheds light on how stress and uncertainty affect stock returns in Borsa İstanbul and offers valuable insights into the role that global factors plays in stock returns in Türkiye.

Keywords: Stocks Return, Borsa İstanbul, ARDL.

JEL Codes: C22, F30, G10.

THE ROLE OF PRIVATE MILITARY COMPANIES AND PARAMILITARY FORCES IN INTERNATIONAL SECURITY CRISES: WAGNER, BLACKWATER AND THE GEOPOLITICS OF ENERGY AND NEW POWER BALANCES

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ABSTRACT

The Role of Private Military Companies and Paramilitary Forces in International Security Crises: Wagner, Blackwater and New Power Balances Mercenarism, although having a deep-rooted history dating back to the Ancient Age, the Roman Empire, and the Middle Ages, today continues to exist mostly through private military companies (PMCs) and paramilitary forces. The end of the Cold War, the dissolution of the Soviet Union, and the rise of neoliberal economic policies led to reductions in defense budgets and the downsizing of armies, thereby paving the way for modern PMCs to gain an institutional structure. The 21st century is a period in which the roles of state and non-state actors in the field of security have been redefined. Traditional methods of warfare have been replaced by hybrid war strategies supported by cyberattacks, disinformation, and the use of proxy forces. This transformation has turned PMCs into a proxy force for states. From the Iraq and Afghanistan operations to the Syrian and Libyan civil wars, from the conflicts in Sub-Saharan Africa to the war in Ukraine, they have played an active role in many international security crises. This study aims to analyze the impacts of private military companies and paramilitary forces in international security crises. Using the comparative case analysis method, Blackwater (USA) and Wagner (Russia) are examined as two main examples. The study comparatively evaluates these structures' legal status, warfare strategies, and particularly their political, military, and economic impacts in conflict zones such as Iraq (oil fields), Libya (oil reserves), and Ukraine. In this way, the shaping role of private military companies in global security and economic policies will be revealed.

Keywords: International Security, Private Military Companies, Paramilitary Forces, Crisis Management, Energy Politics.

JEL Codes: F52, H56, Q34.

DOES INFLATION MATTER MORE THAN GROWTH? A PANEL NARDL ANALYSIS FOR OECD

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ABSTRACT

In this study, 25 countries in OECD were selected and examined with panel dataset created for years 1993-2023. Military expenditures were determined as the dependent variable, and economic growth and inflation rate were determined as independent variables. The short- and long-term relationships between the variables were analyzed within the framework of the nonlinear model. It is aimed to reveal whether there are asymmetric causality structures among these variables. Panel NARDL and PMG Estimator were used together in the study. According to the results obtained, the inflation rate had a more significant effect on military expenditures than economic growth. While the budget allocated to military expenditures shows a significant increase in positive inflation shocks, it has a more limited reducing effect in negative inflation shocks. The effect of economic growth on defense expenditures is weak and a statistically significant coefficient has not been obtained.

Keywords: Military Expenditures, Inflation, Economic Growth, Panel NARDL Model, Asymmetric Causality.

JEL Codes: H56, E31, O40, C33, C22.

CONNECTEDNESS AMONG FINANCIAL PERFORMANCE OF BANKS, ECONOMIC GROWTH, INFLATION, INTEREST RATES, STOCK RETURNS AND CRYPTOCURRENCY: RE-VISITING TÜRKİYE CASE

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ABSTRACT

The role of banks and their functions on economic growth are accepted in general. In terms of emerging countries such as Türkiye, it is more evident and requires the consistent evaluation. On the other not only the interactions between financial performance (FP) of banks and economic growth (EG) but also connectedness among macroeconomic indicators like inflation (INF), interest rates (INT), stock returns (SR) and cryptocurrencies (CRY) are need to be evaluated. In this context, the paper contributes to the literature by providing a fresh evidence regarding a tradiational phenomenon.

In accordance with the purpose of the research, the paper examines connectedness among FP, EG, INF, INT, SR, and CRY for Türkiye. The study uses the data of 10 governmental and private banks with the largest market capitalization applying panel data techniques for the 2004-2024 period. The return on assets (ROA) and the return on equity (ROE) are used the FP indicators of the banks. To achieve the study objective, secondary data for FP were collected from "The Banks Association of Türkiye", data for EG, INF and INT were collected from "Turkish Statistical Institute", data for SR and CRY were collected from investing website for the stated period.

The model results of the study revealed that EG, INF, INT, SR and CRY have statistically significant effects on the FP of banks, while there is bidirectional relationship between FP and EG. INF has a negative and statistically significant effect on the FP of the banks in Türkiye. The present study points the importance and interactions of factors affecting financial performance in terms of Türkiye where financial uncertainities are high.

Future researches may concentrate on how bank regulations and supervision affect FP of banks in Türkiye. A prominent field of study in Türkiye is the examination of how the merges affected FP of banks. Such studies may benefit from the inclusion of relevant corporate governance information.

Keywords: Financial Performance, Profitability, Banks, Economic Growth, Inflation.

JEL Codes: C23, C33, G21.

FISCAL POLICY MEASURES ADDRESSING THE ENERGY PRICE SHOCKS IN THE EU

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ABSTRACT

In 2021 and 2022, EU countries encountered the challenge of surging energy costs and the resulting inflationary pressures. This paper explores the effectiveness of fiscal policy measures aimed at reducing energy-related inflation within EU Member states. The analysis incorporates both quantitative and qualitative assessments to evaluate the influence of fiscal interventions on energy prices and inflation trends, with a specific focus on Eurozone countries. It employs the Harmonized Index of Consumer Prices (HICP) to examine the performance of fiscal tools, such as subsidies and taxes. Recent studies have emphasized the crucial role of fiscal policy in managing the challenges posed by rising energy inflation. By providing empirical insights into the factors driving energy inflation and their impact on overall inflation trends, this research contributes to a deeper understanding of the complex relationships between energy inflation, fiscal policies, and economic conditions in the Eurozone.

Keywords: Harmonized Index of Consumer Prices (HICP); Energy inflation; Fiscal policy; Indirect Taxation; Subsidies

JEL Codes: E31, E62, H23, H31, H22.

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[1] *Disclaimer: The views expressed in this paper are those of the author and do not necessarily represent the views of the European Commission (Eurostat).*

DO EDUCATED MAYORS AFFECT ECONOMIC DEVELOPMENT? EVIDENCE FROM BRAZILIAN MUNICIPALITIES

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ABSTRACT

This paper looks into whether a mayor's education affects the economic performance of Brazilian municipalities. To measure the economic growth of these municipalities, the research uses satellite images of nighttime light, a common proxy for economic activity. The method depends on a regression discontinuity design (RDD), which studies very close elections between candidates with different education levels. This setup helps separate the direct impact of a mayor's education from other confusing factors. The study uses different sets of data, including data from the Brazilian Superior Electoral Court on the 2020 elections, economic figures from official sources, and VIIRS satellite images from 2021 to 2023. The findings show that municipalities with university-educated mayors have better economic growth, which can be seen in the increase in nighttime light. These results are still true when considering aspects like a mayor's gender, race, political views, past terms, and basic economic output. More study shows that the good impact of a mayor's education is mainly in the South, Southeast, and Central-West areas of Brazil, where organizations and economies are stronger. The effect is less obvious in the North and Northeast, which shows how structural and regional differences affect results. Also, the advantages of higher education are more evident among white mayors, which underlines ongoing racial differences in political power and access to resources. In short, the paper emphasizes how important leadership skills are for local growth, but also points out the limits set by social and organizational differences. The research says that growing educational chances and handling racial and regional imbalances in political representation are required to push for fairer and lasting growth in Brazil.

Keywords: Education, Nighttime Light, Elections, Regression Discontinuity Design, Brazil.

HOUSEHOLD PERCEPTIONS AND BEHAVIOR SHAPE CLIMATE INSURANCE ADOPTION UNDER CLIMATE RISK

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ABSTRACT

Intensifying climate-related hazards place low-lying coastal communities at severe risk. Climate risk insurance has emerged as a critical financial mechanism to strengthen household resilience against such risks. However, the uptake of these instruments remains uneven, often influenced by underlying perceptions, socio-economic status, and adaptive behaviors. This study was motivated by the pressing issue of climate vulnerability among coastal households, who face disproportionate risks yet remain underrepresented in the literature on climate risk transfer mechanisms.

This study develops a binary logistic regression (BLR) model to examine the determinants of climate insurance adoption among 400 households in Kuala Gula, Malaysia.

The BLR analysis revealed that, out of 23 factors examined, four emerged as significant predictors of insurance adoption among coastal households: household income, household size, receipt of social assistance, and access to public facilities. Higher income, larger households, and reliance on social assistance significantly increased the likelihood of adoption, while limited access to public facilities substantially reduced it. Model evaluation indicated good fit and strong predictive power, with 91.8% of households correctly classified. The model was particularly effective in predicting non-adopters (99.2%), while significantly lower accuracy for adopter (14.3%). These findings contribute new empirical insights into the socio-economic and institutional determinants of climate risk insurance adoption in vulnerable coastal regions. Bridging the gap between household risk perception and protective action requires policies that integrate financial inclusion, social safety nets, and infrastructure development. The study demonstrates that household income, livelihood dependency, and institutional trust are critical factors influencing the adoption of climate risk insurance. Policy measures must emphasize financial accessibility by implementing targeted subsidies, micro-insurance schemes, and flexible payment options to prevent the exclusion of low-income households. Promoting livelihood diversification can mitigate vulnerability, as households that rely less on a single climate-sensitive income source are more equipped to implement risk-sharing strategies. Additionally, enhancing institutional credibility via transparent governance, equitable premium determination, and prompt compensation can foster the trust essential for ongoing insurance participation. Climate change poses serious risks to coastal households in Malaysia, particularly in vulnerable areas such as Kuala Gula, where livelihoods are highly dependent on fisheries and agriculture. With increasing evidence of climate-related impacts, especially in coastal communities, supportive and context-specific policies on climate risk management and insurance adoption are urgently required.

Keywords: Climate Insurance Adoption, Climate Risk, Risk Perception, Binary Logistic Regression, Coastal Households.

THE SECTORAL EFFECTS OF OIL PRICE FLUCTUATIONS: EVIDENCE FROM THE FOURIER TODA YAMAMOTO CAUSALITY TEST

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ABSTRACT

Nowadays, oil markets play an important role in providing stability within the financial systems of global economies. Oil prices' fluctuations generate structural changes in financial markets, particularly affecting capital investments and investor behavior. These effects are more pronounced in sectors highly linked to energy, such as electricity, transportation, chemicals, base metals, and tourism. Therefore, the main purpose of this study is to examine causal relations between sectoral stock market indices and West Texas Intermediate oil prices. The study utilizes monthly data between January 2020 and October 2025, encompassing periods of important oil price changes such as the COVID-19 outbreak and the Russia-Ukraine war. To identify potential structural changes and dynamic causalities between variables, the Fourier Toda Yamamoto causality test, first introduced by Nazlıoğlu et al. (2016), was employed. This test's main advantage is its high reliability under structural changes, even when the series are integrated at different degrees. The findings of the study indicate different causal relations between oil prices and sectoral stock market indices. Specifically, causality was detected from oil prices to the electricity and transportation sectors, while no causality was found between oil prices and the chemical, base metal, and tourism sectors. Therefore, our results reveal the impact of changes in energy prices on sectoral-level stock market indices.

Keywords: Oil Prices, Sectoral Stock Markets, Fourier-Toda–Yamamoto.

JEL Codes: C22, G12, Q41.

THE GDPR DISRUPTION: THE IMPACT OF DATA PRIVACY REGULATION ON THE ALTERNATIVE CREDIT MARKET

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ABSTRACT

This study investigates the effect of data regulation on credit provision by FinTech and BigTech firms, collectively referred to as alternative credit. The analysis leverages the 2018 enactment of the European Union's General Data Protection Regulation (GDPR), which curtailed firms' flexibility in collecting, storing, and utilizing personal data. The study uses a panel dataset covering 45 countries from 2013 to 2020 and employs a difference-in-differences (DiD) approach to identify the causal effect of stricter data regulations on the European alternative credit market. The results show that the introduction of data regulation has a positive and significant impact on FinTech credit, suggesting that data protection regulations can benefit FinTech lenders. However, no significant effect of GDPR on BigTech credit is observed. This may reflect that potential reputational or trust-related benefits from compliance are offset by persistent consumer concerns over data misuse, high compliance costs, and stringent regulatory scrutiny, all of which constrain credit supply. Simultaneously, BigTechs' scale and diversified operations may enable them to absorb regulatory shocks, further dampening any observable impact.

Keywords: Alternative credit, BigTech credit, FinTech credit, Data Regulation, GDPR.

JEL Codes: G23, O33, K23.

A REALIST PERSPECTIVE OF INTERNATIONAL POLITICS: THE TRAGEDY OF NATIONAL INTERESTS

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ABSTRACT

Realism a theory of the international relations has played a key role in helping all people seeking to understand how states behave, their motives and behaviors in the international scene of politics. One of the assumptions of the realists is that great powers are the key actors in the global politics and they operate in anarchic environment, that is there is a lack of centralized government that controls all the national states. Also, the realists assume that are rational actors and all states have an offensive military capability. moreover, states always seek for survival and finally states are not only rational actors but also are never certain of the intentions of the other states. With these assumptions, this paper picks interests on the survival of state in protecting its national interests through exercising their military capability. This paper shall conduct a critical review of the existing literature to examine how states protection of their national interests has been a tragedy. The study asserts that the protection of national interests without consideration of the interests of other actors in the international politics has led a significant genesis of many conflicts. Moreover, this paper uses realism as theoretical framework to understand the international politics and to locate its assumptions in the current affairs. The paper concludes that reconciling the national interests with international interests will create sustainable peace and foster dialogue.

Keywords: Realism, National Interests, International Politics.

JEL Codes: F52, F59.

PUBLIC HEALTH EXPENDITURE AND HEALTHCARE UTILIZATION IN SELECTED EUROPEAN COUNTRIES: A PANEL DATA ANALYSIS

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ABSTRACT

This paper examines the correlation between the public health expenditure (PHE) and healthcare utilisation in Italy, Spain, Germany, and Portugal during the time-period 2012-2022 during the pre-austerity, austerity, recovery, and pandemic periods. This paper discusses the Wagner's law in public finance theory that states that as economies grow, the government expenditure, including healthcare, increases. In this study, fixed effects panel regression method was employed with robust standard errors to determine the impact of PHE on hospital discharge rates (HDR), primary care visits per capital (VPC), and expenditure out-of-pocket (OOP). The control variables are physician supply (PHY), population age structure (PoP), and COVID-19 disruption (C 19.DM). The findings demonstrate the following: (1) PHE does significantly predict an increase in HDR ($p = 0.038$), which explains that the capacity of the workforce is a crucial determinant. (2) Primary care visits are the most significant predictors of hospitalisation ($p = 0.008$), which confirms the hypothesis of prevention substitution. (3) Physician density is the most significant predictor of utilisation ($p < 0.001$), which means that the workforce capacity is a significant determinant. 4) COVID-19 resulted in a 7-8% decline in healthcare use ($p < 0.001$) while; (5) Ageing populations amplify hospitalizations ($p = 0.018$); and (6) Greater OOP payments restrict healthcare access ($p = 0.030$).

These results highlighted the importance of emphasising that although the amount of money allocated to the health sector by the population can increase the capacity of the healthcare system. The supply of physicians is a bottleneck that needs immediate investment in the field of workforce development. Governmental policy makers need to consider the trade-off between the cost of spending more and the strategic value of investing in the workforce, primary care, and preparedness to the pandemic. It is concluded in the research that the functioning of the healthcare system depends not only on sufficient funding but also on the effective allocation of the workforce and infrastructure after the pandemic.

Keywords: Public Health Expenditure, Healthcare Utilization, Primary Care, Physician Supply, COVID-19 Pandemic.

JEL Codes: I15, H51, C23.

AN ANALYSIS ON THE RISE OF BRICS AND THE DYNAMICS OF DE-DOLLARISATION

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ABSTRACT

This study analyses the transformation of BRICS from an economic union into a new global power focus and the economic, financial and geopolitical implications of this process. With the accession of key countries such as Saudi Arabia, the UAE, Iran, Egypt and Ethiopia, BRICS has become a powerful platform representing a significant portion of the world's population and GDP. The article analyses the search for an alternative global order to Western-centred institutions and the effort to create a sanctions-resilient financial architecture at the heart of this expansion. In this context, the group's increasing control over global energy markets and efforts to de-dollarise are detailed, and alternative financing models offered by BRICS through the New Development Bank (NDB) are also discussed. In assessing the potential of BRICS to translate its economic power into effective political action, this paper discusses the opportunities and challenges presented by this new multipolar world. It will also employ bibliometric analysis to comprehensively review the existing literature on BRICS transformation. This analysis is expected to reveal the upward trend of academic publications on BRICS over the years, especially the spike observed after the 2023 enlargement. In addition, the key authors and the most influential publications shaping this field will be identified, and the relationship of key topics such as de-dollarisation and alternative financing with other keywords in the literature will be examined. By revealing the geographical and institutional distribution of articles, the analysis will map the impact of BRICS on international academia. This bibliometric approach will add a quantitative dimension to the theoretical framework of the study, and the findings will provide new and robust perspectives on the future role of BRICS.

Keywords: BRICS, Global Geopolitics, De-dollarisation, New Development Bank.

JEL Codes: F5, O16, O19.

REVISITIND ENVIRONMENTAL RESILIENCE IN THE MEDITERRANEAN: A DYNAMIC ANALYSIS OF POLITICAL AND ECONOMIC DRIVERS

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ABSTRACT

This study examined ecological quality determinants across 16 Mediterranean countries using the load capacity factor (LCF). It addresses two gaps: a limited focus on the political-economic drivers of environmental outcomes in vulnerable Mediterranean regions and scarce econometric models capturing regional dynamics. This study investigates how economic growth, tourism, financial development, foreign investment, and political stability affect ecological sustainability. Using annual data from to 2000-2020, we apply a vector error correction model within a panel vector autoregression framework to capture short-term dynamics and long-term relationships. Cointegration analysis confirms the links between LCF and variables including GDP, ITR, FD, FDI, and PS. The impulse response functions show that LCF reacts negatively to GDP and ITR shocks, while PS initially boosts LCF before turning negative. The Granger causality tests reveal short-run causal connections between the variables. The FMOLS and DOLS estimates indicate that GDP and FD negatively influence LCF, whereas ITR and PS show mixed effects. The results highlight the need for sustainable growth strategies and stronger institutional frameworks to enhance Mediterranean ecological resilience.

Keywords: Ecological Quality, Load Capacity Factor, Panel VAR Analysis, Mediterranean Countries.

JEL Codes: Q57, R11, C31, Z32.

THE PARADOX OF FLEXIBILITY: TELECOMMUTING AND WORK-LIFE TENSIONS AMONG GENERATION Z EMPLOYEES

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ABSTRACT

This article explores the impact of telecommuting on Generation Z employees, a demographic increasingly shaping the modern workforce. Telecommuting—also referred to as remote work or telework—refers to a flexible work arrangement that allows employees to perform job-related tasks outside of traditional office settings, typically through the use of digital technologies (Shkarlet et al., 2020). For Generation Z, who grew up immersed in digital environments, remote work aligns with their strong technological skills, preference for flexibility, and comfort with virtual communication (Twenge, 2017; Sigaeva et al., 2022). Moreover, this cohort tends to favor horizontal organizational structures that foster innovation and collaboration over rigid hierarchies (Zahra et al., 2025).

 Based on data collected from 154 respondents, the study examines how remote work affects Gen Z employees in areas such as productivity, work-life balance, psychological well-being, autonomy, and social engagement. Descriptive results show that although remote work offers flexibility, many respondents report significant challenges: 67.5% believe their social life suffers, 57.8% feel that it takes time away from family and personal activities, and 62.3% are dissatisfied with their work-life balance. Furthermore, constant digital connectivity is perceived as mentally exhausting (M = 3.29), while satisfaction with remote work's supposed benefits—such as increased productivity and autonomy—remains mixed.

Paired samples t-tests revealed interesting patterns: while there is a strong positive correlation between perceived productivity and the ability to concentrate while working remotely (r = .700, p < .001), there is a noticeable gap between the autonomy granted by supervisors and the actual flexibility employees experience in managing their time. These findings suggest that perceived control over work tasks does not necessarily translate into better work-life balance or reduced stress.

In conclusion, the study challenges the common assumption that remote work is inherently advantageous for Generation Z. Despite their digital fluency and adaptability, Gen Z employees may still struggle with blurred boundaries, social isolation, and performance pressures in a remote work setting. Organizations aiming to retain and support younger workers must go beyond technological enablement and address the psychological and social dimensions of remote work.

Keywords: Remote Work, Generation Z, Work-Life Balance, Telecommuting, Digital Fatigue.

JEL Codes: J81, J22, M54.

UNCOVERING THE DRIVERS OF BMI: A DECISION TREE EXPLORATION OF LIFESTYLE AND HEALTH INDICATORS

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ABSTRACT

This research seeks to determine which factors affect Body Mass Index (BMI) the most through the application of machine learning methods. Public health programs need to understand BMI analysis through the study of how demographic factors, socioeconomic status, and lifestyle patterns affect body mass index to achieve success. This study employed a decision tree model to identify the influencing factors of BMI category and their relationship with health outcomes. The Turkish Statistical Institute (TÜİK) provided a dataset that included information about population demographics and lifestyle factors, and health conditions. The BMI measurement system divided participants into four weight status categories: underweight, normal, overweight, and obese. This study used feature engineering methods that combined one-hot encoding with feature selection to improve model interpretability through the implementation of a random forest classifier. The Decision Tree model received training through entropy criterion optimization of hyperparameters, which produced evaluation results based on accuracy, precision, recall, and F1-score metrics. The study found that age is the most significant predictor of BMI classification, followed by socioeconomic factors such as income and educational level. The participants' BMI categories depended heavily on their lifestyle choices, which included their consumption of fruits and vegetables, lemonade/cola intake, and physical activity level. The Decision Tree model showed strong performance in detecting the most severe BMI categories (underweight and obese), yet it failed to distinguish between normal and overweight groups because their characteristics were similar. This research adds value to current studies by implementing decision trees for BMI classification in machine learning models. The research results demonstrate how BMI depends on population characteristics, economic status, and personal behaviors, which helps healthcare providers create specific health programs. The model delivers useful interpretability results, but its accuracy remains at a moderate level because BMI categories share multiple characteristics with one another. Future research requires the combination of behavioral data with genetic information to achieve better predictive results. The research results will enable the development of health policies and intervention programs that target lifestyle promotion activities for those who require them most, according to their social position and daily routines. The research findings on BMI determinants enable public health specialists to develop effective prevention methods for obesity and undernutrition, resulting in better health outcomes for the population.

Keywords: Body Mass Index (BMI), Decision Trees, Lifestyle and Socioeconomic Determinants, Machine Learning.

JEL Codes: C45, I12, I18.

THE REFLECTION OF THE EARLY REPUBLICAN ECONOMIC DEVELOPMENT IDEAL IN ORHAN PAMUK'S CEVDET BEY AND HIS SONS AND YAKUP KADRİ KARAOSMANOĞLU'S PANORAMA

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ABSTRACT

This paper investigates the economic development ideals of Turkey's Early Republican Period (1920s–1950s) through Refik Işıkçı in Orhan Pamuk's *Cevdet Bey and His Sons* and Halil Ramiz in Yakup Kadri Karaosmanoğlu's *Panorama*. This study aims to analyze how these characters' literary representations reflect state-led development policies and the bureaucratic, individual, and societal challenges to their implementation. The theoretical framework combines modernization theory and economic history perspectives to examine the ideological and practical dimensions of the Early Republic's state-centric policies, such as the First and Second Five-Year Industrial Plans and the Village Institutes, which emphasized agricultural modernization and rural education. The methodology employs comparative literary analysis, linking Refik Işıkçı and Halil Ramiz's character arcs to the period's economic and social policies. This is supported by historical context from archival documents and economic history literature to contextualize the literary analysis. Refik Işıkçı, rejecting his father's mercantile mindset, advocates for rural development and agricultural reform, presenting proposals to a minister, but bureaucratic indifference and systemic barriers prevent their realization. Halil Ramiz promotes a state-driven modernization vision but is isolated due to his critiques of bureaucratic inefficiencies and corruption, revealing a disconnect between centralized planning and societal needs. The findings indicate that Refik recognizes the importance of individual initiative for rural development but encounters various bureaucratic obstacles in practice, whereas Halil Ramiz embraces state-led development ideals yet faces equally serious impediments. In conclusion, Refik Işıkçı and Halil Ramiz symbolize the tension between the Early Republic's idealistic developmental aspirations and the practical challenges to their realization. The paper argues that the era's idealistic fervor for development was hindered by bureaucratic indifference and structural constraints, and thus the transformative potential of state-led policies was limited. This study contributes to understanding the complexities of the Early Republic's economic and social transformation efforts, highlighting how literary narratives reflect the challenges of aligning ambitious state policies with practical realities.

Keywords: Economic Development Thought, State-Led Economy, Bureaucratic Indifference, Rural Development, Idealism.

JEL Codes: O18, O20, N45.

ARTIFICIAL INTELLIGENCE AND FINANCIAL STABILITY: THEORETICAL DISCUSSIONS IN THE CONTEXT OF SYSTEMIC RISK

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ABSTRACT

Artificial intelligence (AI), one of the key elements of developments in the field of information technologies, stands out as an increasingly evident transformation dynamic in the financial sector. While the efficiency and decision support effects provided by AI produce strong economic flows, examining the risks that may arise with the widespread use of this technology is considered a priority for researchers. In particular, uncertainty management and information asymmetry issues that affect the speed of decision-making processes and the financial structure play a critical role in systemic stability. This study aims to discuss the relationship between artificial intelligence (AI) and financial stability in the global financial system within a theoretical framework. To this aim, it synthesizes conceptual and theoretical arguments in the literature and theoretically analyzes the systemic risk dynamics of Artificial Intelligence (AI) through decision processes, information flow and uncertainty structures. Results from theoretical findings suggest that AI helps reduce the increase in systemic risk. However, the impact of AI has been found to vary across various financial sectors and become more pronounced during periods of crisis. This study also suggests that AI can reduce systemic risk by augmenting the human capital of financial firms. The theoretical framework presented in the study sheds light on the idea that imprudent allocation of AI-related investments may contribute to increased systemic risk.

Keywords: Artificial intelligence (AI), Systemic Risk, Financial Stability, Global Financial System.

JEL Codes: G01, G02, G10.

INDIRECT TAXATION AND NON-CORE INFLATION DYNAMICS: EVIDENCE FROM EUROZONE ECONOMIES[2]

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ABSTRACT

This paper analyses the inflationary impact of indirect taxation measures on non-core inflation across the Eurozone Member States. Using monthly HICP and HICP-CT data from 2015 to 2025, we derive tax-induced inflation and decompose observed inflation into tax-driven and market-driven components. The study links the impact findings to the relevant VAT pass-through literature and examines structural breaks in inflation trends around major fiscal events. Results show that indirect taxation contributed disproportionately to food and energy inflation across the Eurozone countries, particularly during periods of fiscal consolidation and market crises. Policy implications underline the regressive nature of consumption taxes and the need for improvements in the design of tax measures within the scope of the HICP.

Keywords: Harmonized Index of Consumer Prices (HICP), Non-Core Inflation, Indirect Taxation, Subsidies.

JEL Codes: E3, H22, H30, E62.

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[2] Disclaimer: The views expressed in this paper are those of the author and do not necessarily represent the views of the European Commission (Eurostat).

ALGORITHMIC TRADING AND ARTIFICIAL INTELLIGENCE IN FINANCIAL MARKETS – A CRITICAL ANALYSIS

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ABSTRACT

This paper examines advantages and disadvantages of the Integration of artificial intelligence (AI) into algorithmic and high-frequency trading (HFT), exploring its transformative impact on financial markets. It reviews the evolution of algorithmic trading, from early quantitative models to modern AI-driven strategies, highlighting applications of supervised, unsupervised, and reinforcement learning across banking, asset management, and quantitative trading. Special attention is given to the role of deep learning, natural language processing, generative AI, and sentiment analysis in enhancing market prediction, optimizing portfolio management, and automating trade execution. The study also analyzes case applications, such as the Supertrend strategy, and discusses opportunities and challenges, including regulatory compliance, model interpretability, market stability, and systemic risk. Findings suggest that while AI offers significant advantages in speed, efficiency, and predictive power, its adoption requires robust governance, explainable models, and coordinated oversight to ensure ethical, transparent, and resilient market operations.

Keywords: Financial Markets, Artificial Intelligence, Algorithmic Trade.

JEL Codes: C53, G11, G12.

TAX HAVENS REBRANDING: INTERNATIONAL TAX TREATIES

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ABSTRACT

The legal tensions between municipal and international law within the economic realm are amplified in the case of multinational enterprises (MNEs) and their tax liabilities. The theoretical significance of international tax regimes through international tax treaties aims to address conflicts arising from the application of national tax laws on MNEs. These international tax treaties are often dubbed as 'Double Tax Treaties' (DTTs). The DTTs allow national tax authorities to cooperate at an international level and tackle challenges like the harmonization of taxation policies aimed at attracting and retaining MNEs without causing double taxation. The outliers of international tax regimes consist of tax haven jurisdictions promoting tax avoidance as an incentive to attract MNEs. The tax havens have rebranded as offshore tax jurisdictions to shed the negative image of being the primary vehicles for tax avoidance and being complicit in 'money laundering' schemes. The 2003-2008 HSBC multi-billion-dollar drug cartel money laundering scam is a case in point. This paper examines the International Tax Law and the global socio-economic impact of the so-called offshore jurisdictions.

Keywords: Tax Avoidance, Tax Havens, Offshore Tax Jurisdictions, International Law, International Tax Treaties, Double Tax Treaties.

JEL Codes: H26, K33, F38.

A MARKOV SWITCHING APPROACH TO BUSINESS CYCLES: EVIDENCE FROM GERMANY

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ABSTRACT

When an economic series exhibits a nonlinear structure -in other words, when it has different parameters in different periods- the series is estimated using regime-switching models. One such regime-switching model is the Markov regime-switching model. This model attempts to explain the stochastic process that determines the transition from one state to another by modeling the behavior of the state variable, which cannot be directly observed, through a Markov chain. Markov regime-switching models, which incorporate multiple equations that can characterize time series behavior under different regimes, are frequently used because they allow for the estimation of both turning points and regime transition probabilities in business cycles within an economy. These models also allow for the analysis of an economic series by dividing it into two regimes, such as expansions and recessions periods. In this study, the turning points and the regime transition probabilities of business cycles in Germany were estimated by using Markov regime-switching models. There are two main motivations for examining Germany's business cycles in our study: First, Germany is the leading country in Europe in terms of economic size and second, it is home to the European Central Bank. This study, covering the period from 1991 to 2024, used Germany quarterly GDP and monthly unemployment rate data. According to the findings, the unemployment rate series indicates the possibility of recession for more periods.

Keywords: Business Cycles, Turning Points, Markov Switching Model, Recessions, Expansions.
JEL Codes: E0, E2, E3.

DETERMINANTS OF CONTAINER PORT THROUGHPUT: A PANEL DATA ANALYSIS ON THE MEDITERRANEAN CORRIDOR (2005–2024)

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ABSTRACT

The Mediterranean is an important maritime corridor connecting Europe, Asia, and Africa, with a large share of global container transport handled via ports along its coast. Preserving the competitive strength of the region's container ports and planning strategic investments require identifying the economic and logistical factors that determine container handling volume (TEU, twenty-foot equivalent unit). In this context, the study evaluates the trade volume of the core Europe–Asia corridor by considering major ports on the Mediterranean corridor— Mersin, İskenderun (Türkiye), Piraeus (Greece), Valencia, Barcelona, Algeciras (Spain), Tanger Med (Morocco), Livorno, Gioia Tauro, Genoa (Italy), Marseille (France), and Port Said (Egypt). As a port's connectivity increases, the number and frequency of liner services calling also rise and strengthen the country's external trade. In parallel, expanding trade, regional growth, and higher GDP per capita increase total handling volumes. The ports considered also perform both transshipment and gateway functions. The study employs annual data for 2005– 2024; following a balanced panel fixed-effects approach, a robust estimation technique, Feasible Generalized Least Squares (FGLS), is applied.

According to the findings, increases in GDP per capita in the countries hosting the relevant ports raise TEU, indicating high demand elasticity with respect to macroeconomic growth. The Liner Shipping Connectivity Index (LSCI) emerges as a strong determinant of container volume. Improvements in the trade balance, albeit to a small extent, reduce handling volumes, consistent with container traffic in the Mediterranean being predominantly import-driven. Depending on the nature of period-specific shocks, TEU levels vary.

The study indicates that demand for Mediterranean ports is determined by macroeconomic growth and connectivity. Policy design should focus on raising LSCI—through additional or more regular services, priority berthing, and targeted transshipment incentives—and on flexible capacity management in response to changes in GDP. Supporting measures should prioritize streamlined/digital customs, industrial clustering around ports, hinterland development, rail–road integration, intermodal terminals, and mature digital port community systems. During crises, alternative routing and marketing, capacity-sharing and cooperation mechanisms, competitive pricing, automation and technology investments, and performance-monitoring practices should be activated to sustain compliance with international standards and competitiveness.

Keywords: Container Port, Mediterranean Ports, Panel Data Analysis, Liner Shipping Connectivity Index, Maritime Transport.

JEL Codes: R41, F14, C23, L91.

INTERNATIONAL TAXATION CHALLENGES IN CHINA AND THEIR IMPACT ON AFRICA

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ABSTRACT

China–Africa economic relations have deepened significantly, creating opportunities for growth and sustainable development. However, this integration brings complex international tax challenges that intersect with structural weaknesses in many African tax administrations. While China enforces strong domestic anti-avoidance measures and participates in initiatives such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the practices of Chinese multinational enterprises—such as intricate project financing and the use of intermediary jurisdictions—pose risks of base erosion and profit shifting (BEPS) in African states with limited enforcement capacity. Addressing these risks requires coordinated, multi-level strategies. African countries must strengthen institutional capacity in tax administration, audits, and enforcement, while adopting development-oriented treaty policies and renegotiating bilateral investment treaties (BITs) and double taxation agreements (DTAs) to curb treaty shopping. On the Chinese side, greater transparency and collaboration from government and enterprises are essential to align with global tax norms and discourage aggressive tax planning. A broader reform of the international tax system is equally critical. Current frameworks, often OECD-centric, should evolve to reflect the needs of developing economies by ensuring equitable allocation of taxing rights and promoting global tax justice. Multilateral organizations—including the UN Tax Committee, OECD, and African Tax Administration Forum—must provide technical assistance, legal modernization, and tailored adoption of global tax instruments to support African priorities. Ultimately, China–Africa engagement offers mutual benefits only if paired with robust legal and institutional reforms, international cooperation, and an inclusive tax architecture. These measures will enable African states to mobilize domestic resources effectively, secure a fair share of economic gains, and advance the Sustainable Development Goals (SDGs).

Keywords: China-Africa Trade, Regulatory Taxation Issues, Base Erosion Profit Shifting, Africa Challenges, Taxation.

JEL Codes: H26, K33, F34.

ANALOGICAL VERSIONS OF MONEY DEMAND THEORIES IN THE CONTEXT OF THE UNCERTAINTY PRINCIPLE

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ABSTRACT

This paper connects Heisenberg's uncertainty principle with Knight's idea of unmeasurable uncertainty to rethink money-demand theory. Heisenberg emphasizes the limits of measurement between knowledge and time, while Knight highlights the distinction between quantifiable risk and radical uncertainty (Dequech, 2000:36). From this synthesis, we propose— as a novel analytical contribution— the following inequality: timing uncertainty $\Delta t.\Delta E \geq \theta$ timing uncertainty in central-bank decisions (Δt) affects money demand only when combined macroeconomic volatility (ΔE) pushes the product beyond a behavioral threshold "θ". Using this framework, we reinterpret Cambridge, Keynesian, Friedman, Baumol–Tobin, and Post-Keynesian formulations of money demand. Empirically, our comparative review of the Federal Reserve, the European Central Bank, and the Central Bank of the Republic of Türkiye shows that irregular or unpredictable announcement strategies amplify uncertainty and undermine monetary stability. In short, money demand is shaped not only by income and interest rates but also by information asymmetries, timing risk, and behavioral responses. These findings underline the policy relevance of clear and predictable communication while offering an interdisciplinary bridge between physical and economic approaches.

Keywords: Central Bank Timing, Heisenberg, Knight, Money Demand, Uncertainty Principle.

JEL Codes: E41, E52, D81.

THE DYNAMICS OF PARTICIPATION AND DIVERSIFICATION IN GLOBAL VALUE CHAINS

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ABSTRACT

This paper examines the direction of causality between a country's relative position in GVCs and the diversification of its imports and exports. It applies network analysis and Granger causality to data from the World Input-Output Database for 44 countries and 54 sectors for 2000-2014. Our research contributes to the literature by raising crucial questions about the relationship between the relative position and trade diversification of a country within GVCs. Do diversified exports of intermediate goods lead to a significant position as an exporter in the GVC, or vice versa? Similarly, do diversified imports of intermediate goods lead to a significant position as an importer in the GVC, or vice versa? Our results suggest the existence of causality, depending on the assumption about homogeneity or heterogeneity across sectors and countries. The estimation, assuming homogeneity across countries and sectors, suggests a one-way positive causality from import diversification to participation. The assumption of heterogeneity at the country level suggests a bidirectional causality from backward participation to import diversification and a one-way causality from forward participation to export diversification. Finally, the assumption of heterogeneity across sectors and countries revealed bidirectional causality from import/export share to import/export diversification and from trade participation to trade diversification.

Keywords: Global Value Chain, Diversification, Network Analysis, Granger Causality.

JEL Codes: F14, F62, C33.

STOCK LEAD LAG TIME WITHIN AND BETWEEN INDUSTRIAL SECTORS USING ULTRA-HIGH-FREQUENCY DATA

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ABSTRACT

This paper estimates the lead–lag relationships between stocks using ultra–high–frequency, tick–by–tick data. Traditional econometric methods are typically designed for data sampled at fixed intervals—such as weekly, daily, hourly, or minutely observations—and thus are not well suited for irregularly spaced tick data. Regression-based approaches that attempt to address this issue often perform poorly in practice. Moreover, identifying the direction of a lead–lag relationship requires a distinct analysis from estimating its duration. To overcome these challenges, I apply the Hayashi–Yoshida estimator, which enables simultaneous estimation of both the direction and the duration of lead–lag effects. Using this framework, I measure lead–lag times among large U.S. stocks within the same sectors as well as across different sectors. Finally, I investigate whether systematic differences exist between within-sector and cross-sector lead-lag dynamics.

Keywords: High-Frequency Trading, Cross-Correlation, Statistical Arbitrage.

JEL Codes: G12, G14, G19.

FOREIGN DIRECT INVESTMENT AND INTER-FIRM WAGE DISPARITIES IN VIETNAM: AN ANALYSIS OF HORIZONTAL AND VERTICAL SPILLOVERS EFFECTS

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ABSTRACT

Using micro-level data from Vietnam's manufacturing sector between 2005 and 2015, this paper systematically explores the mechanisms through which Foreign Direct Investment (FDI) influences the wage gap between foreign-owned and local firms, with a particular emphasis on horizontal and vertical spillover effects. The authors constructed a two-way fixed effects panel model to empirically analyze the impact of FDI technology spillovers on firm-level average wages. Simultaneously, the study measured the impact intensity of three distinct spillover channels: horizontal spillovers, forward spillovers, and backward spillovers. It further explored the mediating mechanism through which these spillovers drive wage growth by enhancing firms' total factor productivity (TFP). A Heckman two-stage model is employed to address endogeneity bias and ensure the robustness of the estimation results. Furthermore, a heterogeneity analysis is conducted from the perspective of the industry chain to identify the marginal differences in the effects of FDI.

Our research indicates that FDI significantly raises firms' wage levels. Specifically, both horizontal spillovers and backward vertical spillovers have the most prominent impact on wage growth, with their effects being more pronounced within domestic firms. FDI indirectly promotes wage growth by enhancing firm productivity, confirming the transmission mechanism in which technology diffusion improves efficiency and ultimately leads to higher wages. This effect is more prominent in firms located at the downstream segments of the industrial chain. The findings provide policy implications for Vietnam in guiding the coordinated development of FDI and local firms and in narrowing the wage gap between foreign-invested and domestic enterprises.

Keywords: Foreign Direct Investment (FDI), Wage Gap, Horizontal Spillover Effects, Vertical Spillover Effects, Vietnam.

JEL Codes: O15, J31, C10.

DISENTANGLING THE HETEROGENEOUS EFFECTS OF CLIMATE SHOCKS AND CONFLICT EXPOSURE ON CHILD MALNUTRITION

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ABSTRACT

Child malnutrition remains a pressing public health challenge in low- and middle-income countries, shaped by complex and overlapping environmental and socio-political stressors. This study investigates the heterogeneous effects of climate variability and conflict exposure on childhood malnutrition in Pakistan, with a particular focus on stunting. Using high-resolution spatial data from 2001 to 2017, we integrate satellite-based climate indicators, geolocated conflict events, and socioeconomic covariates into a panel framework. We employ spatial econometric techniques and machine learning methods to capture non-linearities, spatial spillovers, and context-specific vulnerabilities. Results reveal that adverse climatic shocks, particularly droughts and extreme rainfall events, significantly exacerbate child malnutrition, while the intensity and proximity of conflict events amplify these impacts in already deprived regions. Importantly, the magnitude and direction of effects vary across space and time, underscoring the importance of localized adaptation strategies. By disentangling the intertwined effects of climate and conflict, this study highlights the need for integrated policy responses that address both environmental and political fragility to improve child health outcomes.

Keywords: Child Malnutrition, Climate Variability, Drought, Conflict Exposure.

JEL Codes: I15, I18, Q54, C23.

RETHINKING FINANCIAL ANALYSIS IN THE CONTEXT OF SUSTAINABILITY REPORTING

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ABSTRACT

In this paper, the review of the changing paradigm of financial analysis is critically discussed, arguing that sustainability reporting should be incorporated as the only way of obtaining a comprehensive evaluation of corporate value. Integrating ESG (Environmental, Social, and Governance) analysis with an evaluation of a company's sustainability into financial analysis has become a contemporary challenge in the financial sector to enhance the reliability of a company's financial statements. Considering ESG criteria is crucial nowadays to help provide a full understanding of the company's performance and a comprehensive picture of its policies and practices. The paper is a synthesis of existing literature regarding the materiality of ESG factors in financial reporting through a systematic literature review. It discusses the shortcomings of traditional financial statements, the growth of sustainability reporting systems, and the established connections between ESG performance and financial performance. The results indicate that a siloed financial analysis method is becoming outdated. The paper is concluded with a proposal of an integrated analytical model that can prepare analysts, investors, and academics for the challenges of the new corporate reporting, where extra financial information cannot be ignored.

Keywords: Financial Analysis, Financial Performance, Sustainability Reporting, ESG Analysis, ESG Factors.

JEL Codes: G32, M14, M40.

SYSTEMIC CONNECTEDNESS AND RISK TRANSMISSION AMONG G7 BANKS

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ABSTRACT

This paper examines the evolution of systemic connectedness and risk transmission among the 17 largest G7 banks using daily data for the period March 2015 to October 2025. The objective is to identify how short-term financial shocks and macro-financial risks jointly shape the global banking network's stability. In the first stage, the Diebold–Yılmaz (2014) connectedness framework was applied to estimate return spillovers across the major G7 banks, resulting in a Total Connectedness Index (TCI) with an average level of 87.5% over the full sample. This high value indicates a persistently integrated global banking system where shocks transmit rapidly across borders. The TCI reached its peak (≈96%) during the COVID-19 pandemic (2020– 2021) and the Russia–Ukraine conflict (2022), reflecting periods of heightened systemic stress and global risk synchronization. In the second stage, a Dynamic Conditional Correlation GARCH (DCC–GARCH) model (Engle, 2002) was used to analyze the time-varying correlations between TCI and macro-financial risk indicators, including the OFR Financial Stress Index (FSI), Economic Policy Uncertainty (EPU), Geopolitical Risk (GPR), the CBOE Volatility Index (VIX), and the Oil Volatility Index (OVX). The results show very high volatility persistence across all variables, with the TCI exhibiting near-unit persistence—indicating that systemic risk remains elevated long after shocks occur. The dynamic correlation analysis reveals heterogeneous responses: GPR displays the strongest and most persistent co-movement with TCI, suggesting that geopolitical tensions have become a structural driver of global banking contagion. VIX and OFR-FSI also generate large and long-lasting increases in interconnectedness, particularly during the Trade War, the COVID-19 crisis, and the Russia–Ukraine conflict. In contrast, EPU produces sharp but short-lived effects, while OVX exhibits the weakest and least persistent influence on systemic connectedness. Overall, the findings demonstrate that global banking interconnectedness is highly sensitive to geopolitical shocks, market volatility, and financial stress, whereas policy-driven and commodity-related uncertainties exert more limited and temporary effects. These insights underscore the need for macroprudential authorities to integrate interconnectedness measures such as the TCI with real-time monitoring of geopolitical and market-based risk indicators to enhance early-warning systems and mitigate cross-border contagion.

Keywords: Systemic Risk, Connectedness, G7 Banks, DCC-GARCH, Diebold–Yılmaz Framework.

JEL Codes: G15, G21, C58.

FEMINIST APPROACH TO MONETARY POLICY AND FINANCIAL INCLUSION: THE CASE OF ALBANIA

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ABSTRACT

The classical monetary policy, which is mostly concerned with regulating inflation, ensuring financial stability, and the economic growth of the GDP, has always been regarded as gender-neutral. Neutrality, however, according to feminist economists, conceals serious structural inequalities in access to credit, employment, and decision-making. The paper discusses the movement to feministically reorient monetary policy as one way of achieving both financial inclusion and gender justice. The paper, as its focal point, focuses on ways of feminist economic ideals to change monetary governance using gender sensitive systems such as gender-disaggregated lending data, availability of credit services to women, as well as having women in central bank systems. The study relies on the writings of such researchers as Seguino (2019), Grabel (2022), and Nikolaidi (2022), who highlight the adverse outcome of contractionary monetary policies by stating the need to support the women-dominated sector, including care, education, and services, and an inclusive growth with the implementation of expansionary policy. These are evaluated and implemented in the international financial institutions, particularly the IMF, where they are encouraged to develop a gender impact assessment on their surveillance and lending systems. The findings reveal that, besides being fair, feminist monetary policy is also macroeconomically sound because of the participation of women in the financial systems. To solve the problem in Albania, rationalization of central banking and credit issuance based on the goals of gender equity might be utilized to resolve the inequities in the economic participation of the two genders and to develop economically in the country. It is found that the paper gave a conclusion; the feminist monetary reform is both a moral and economic requirement: the transformation of the monetary systems to the tools of market discipline into the tools of inclusive and socially responsible development, which would contribute to the stabilization, empowerment, and equality.

Keywords: Financial Analysis, Financial Performance, Sustainability Reporting, ESG Analysis, ESG Factors.

JEL Codes: G32, M14, M40.

CIRCULAR TRANSITIONS AND GREEN EMPLOYMENT IN ASEAN ECONOMIES: INSIGHTS FROM A DECADE OF CHANGE (2013–2023)

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ABSTRACT

This study examines the relationship between circular economy strategies and employment in four ASEAN countries (Indonesia, Malaysia, Thailand, and the Philippines) from 2013 to 2023. The analysis focuses on the effects of adopting low-carbon technologies, promoting eco-innovation, and managing waste-related greenhouse gas emissions on labor markets within the Sustainable Development Goals framework. The circular economy has become a central policy focus in ASEAN, with the dual objectives of economic growth and environmental sustainability. However, limited research has examined the link between circular economy performance and employment. To address this gap, this study employs a Fixed Effects Regression model to estimate employment as a function of circular economy indicators, controlling for country-specific and temporal variations. The model incorporates variables such as the share of low-carbon technology imports, the Eco-Innovation Index, waste-related greenhouse gas emissions, and broader economic factors, including GDP growth and population trends. The analysis emphasizes intra-country changes over time to demonstrate how environmental innovation and circular economy strategies influence labor markets. By integrating descriptive statistics with econometric analysis, the study reveals the social and economic impacts of transitioning to a circular economy in emerging markets. In this context, this study has two goals. First, it will show how circular economy practices help create jobs and grow green sectors in ASEAN. Second, it will provide evidence to help governments design fair and innovative sustainability policies. The results will inform regional discussions about how ASEAN can balance environmental goals with job growth and long-term economic strength.

Keywords: Circular Economy, Employment, ASEAN Countries.

JEL Codes: O44, Q56, J21, C33, F63.

A BIBLIOMETRIC STUDY OF ECONOMIC COMPLEXITY RESEARCH

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ABSTRACT

Economic complexity, which offers a holistic and multidimensional framework for analyzing countries' production structures and development capacities, has gained increasing importance. This approach, unlike traditional indicators (e.g., per capita income), analyzes the knowledge base of the economy and the sophistication of its production structure. In this study, the development of scientific research on economic complexity was systematically examined. A total of 1,130 academic papers published in the Scopus database between 2009 and 2025 were evaluated using bibliometric analysis. The analytical process was conducted using VOSviewer software, which enables systematic assessment of key research trends, collaboration networks, and potential gaps in the economic complexity literature.

The findings reveal a significant increase in academic output, particularly in 2023 (202 publications), 2024 (205 publications), and 2025 (217 publications), highlighting the growing importance of the field in both theoretical and applied dimensions. Furthermore, the findings suggest that certain authors and countries take the lead in shaping the research agenda, while keyword use is concentrated within a relatively narrow thematic framework. Ultimately, this study provides a comprehensive and structured overview of the accumulated knowledge in the field of economic complexity, providing a systematic framework that can guide future academic research.

Keywords: Economic Complexity, Systematic Literature Network Analysis, Citation Analysis, Keyword Network Analysis .

JEL Codes: C38, C80, F10.

STUCK IN TRANSITION? AN ANALYSIS OF LONG-TERM NEET PERSISTENCE AND SCARRING EFFECTS IN KYRGYZSTAN (2010-2019): A MICRO LEVEL EVIDENCE

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ABSTRACT

Kyrgyzstan using micro-level data from Kyrgyzstan. Thus, this study provides a comprehensive analysis of the persistence, determinants, and long-term consequences of the "Not in Education, Employment, or Training" (NEET) status among young people in the Kyrgyz Republic. While the existing literature has documented the high prevalence of NEET status and its static determinants, the long-term dynamics and the resulting labor market problems have largely been unexplored. This study addresses three critical gaps using the panel data set from the Kyrgyzstan Life Survey (LiK-Live in Kyrgyzstan) for the years 2010-2019. First, using panel-based probit models, we investigate the long-term persistence and state dependence of NEET status, going beyond a simple annual transition problem. We analyze the duration of NEET periods and identify factors that facilitate remaining NEET (e.g., gender, education, foreign language proficiency, regional shocks). Second, we quantify the "trailing effects" of NEET experiences. Third, we analyze the impact of significant economic changes, such as Kyrgyzstan's 2015 accession to the Eurasian Economic Union (EAEU), on the probabilities of transitioning into and out of NEET status. Our findings provide important insights into the long-term nature of youth unemployment in Kyrgyzstan, a significant transition economy, and provide an evidence base for designing effective activation and integration policies.

Keywords: NEET, Kyrgyzstan, Probit, Youth.

THE RELATIONSHIP BETWEEN FINTECH AND THE SUSTAINABILITY INDEX: AN EXAMINATION OF DEVELOPING COUNTRIES

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ABSTRACT

Financial technologies (FinTech) stand out as one of the critical dynamics of global digital transformation and achieving the Sustainable Development Goals (SDGs), with their potential to increase the efficiency and inclusiveness of financial systems. However, the limited number of studies systematically examining the impact of FinTech on sustainability in the context of developing countries' specific socio-economic structures, financial infrastructure deficiencies, and regulatory environments constitutes a significant research gap.

The main objective of this study is to comprehensively examine the interaction and impact of FinTech innovations on the economic, environmental, and social dimensions of sustainable development in developing countries. In this regard, the study aims to empirically reveal the impact of technological components that constitute the FinTech index, such as artificial intelligence, blockchain, cloud technology, and data technology, on sustainability indicators. The research aims to contribute to the development of a new theoretical framework for this field by examining the role of FinTech as a development tool at the intersection of traditional finance theories and sustainable finance.

The research method is based on an empirical analysis using Panel Data Analysis on multidimensional sustainability data obtained from developing countries and the created FinTech index data. This methodology aims to capture cross-country heterogeneity and dynamics over time more effectively. The study's findings will reveal that FinTech is an important driver of sustainable development in developing countries; however, to fully realize this potential, it must be supported by inclusive digital transformation policies that take into account variables such as digital infrastructure, regulatory capacity, and financial literacy levels. These findings aim to provide practical guidance to policymakers and regulatory institutions.

Keywords: FinTech, Sustainability, Developing Countries, Panel Data Models.

JEL Codes: C23, Q01, O57.

WHAT HAPPENED TO GREECE FROM 2013 TO 2023?

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ABSTRACT

This article focuses on the study of taxation levels in Greece, as well as on the analysis of trends in representative macroeconomic and quality of life indicators in Greece. The values of these indicators are presented for the period from 2013 to 2023 and their trends are identified. This study applies the method of comparative analysis in order to compare tax rates and the evolution of representative macroeconomic and quality of life indicators. The aim of the study is to provide a clear picture of the country's economic situation in a decade and to formulate proposals for improving its competitiveness. The need to implement tax reforms is highlighted, so that the current Greek tax system becomes less strict, complex and unstable. Finally, it is considered necessary to formulate a fiscal policy of the country oriented towards improving conditions for both citizens and potential investors wishing to do business in Greece.

Keywords: Taxes, Macroeconomics, Quality of Life, Greece.

THE USE OF LOCAL FOOD IN TOURISM

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ABSTRACT

The aim of this paper is to analyze the significance and role of local foods in the context of tourism in the Czech Republic. The theoretical framework is based on a multidisciplinary approach that connects gastronomy, culture, sustainability, and destination marketing. Local foods are perceived not only as part of the culinary offer but also as a tool to strengthen regional identity, economy, and authentic visitor experiences. The research was conducted using a quantitative method in the form of a questionnaire survey among the general public, focusing on preferences, willingness to pay extra, perception of authenticity, and the influence of local foods on destination choice. The analysis examines various aspects of consumer behavior, including the relationship to sustainability, gender differences, and the impact of social media promotion.

The analysis combined descriptive and inferential statistical methods, including descriptive statistics to summarize respondents' answers, and tests such as t-tests, Spearman's correlation, regression analysis, ANOVA, and chi-square to identify relationships and group differences. This combination allowed for a comprehensive evaluation of tourist behavior, preferences, and perceptions of sustainability and local food authenticity.

The expected results aim to provide a comprehensive overview of how local products influence tourist decision-making, support the development of regional producers, and contribute to building the image of destinations. The conclusions of the study are intended to be useful for developing marketing strategies for tourism services, optimizing the local product offer, and supporting sustainable and authentic tourism.

Keywords: Local Foods, Culinary Tourism, Destination Marketing, Authentic Experiences.

JEL Codes: Q13, Z32, M31.

DETECTING THE CONDITIONS FOR THE ECONOMY TO OPERATE AS A REPRODUCTIVE SYSTEM OF NEW MINDSETS, UNDER POLITICAL ECONOMY PERSPECTIVE

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ABSTRACT

The article builds a framework with which to analyze economic development after a tipping point is reached, whereby institutional structures undergo systemic change and transformation. Utilizing the key concepts from major theoretical areas of economic development – i.e. endogenous growth, creative destruction, governance structures, transaction costs, complexity theory and systemic innovation – a conceptual model of systemic change is formulated, in order to be validated by statistical processing of empirical findings found in global organizations' databases. The Deep Transition framework offers a theoretical basis for interpreting transition stages, introducing the concept of portfolio of directionality, but resorting to reductionism, i.e. breaking and simplifying the transitioning process into three separate processes. The methodology of this study tries instead to view transition in total as a reproductive system of a deeper and broader level. By exploring the inter-relations between these key development factors using exploratory factor analysis (EFA) of a dataset of 43 variables, spanning between 2017-2019 for 61 developed and developing countries, a common pattern of highly correlated determinants is revealed, constituting a founding core that acts as the genetic code of the economy's evolutionary trajectory. Succeeding the alignment of the conceptual backbone with the statistical findings, additionally coordinated by DSRP perspective of systems thinking, the data finally found their path to a full narrative of an economic threshold effect that signifies a reproduction/rebirth system. Drawing from this narrative, an economy becomes fertile when it inspires trust to all motivated actors, endorse good practices of cooperation and the urge to take responsibility, thus providing strong momentum to any transformative undertaking, so that conception leads to birth of innovative pathways and not miscarriage of capabilities and talents. With bottom-up inclusiveness as the motor of the evolutionary trajectory, the emerging momentum attributed to the innovators and entrepreneurs, tries to overcome the historical dependence of practices from old needs, being the social group that forms synergisms of multi-stakeholder networks, setting the rules for open and active involvement of new entrants. The strategic dynamism of the reproduction process is thus reached when societal needs are addressed, arisen from exploring and reframing of values, visions and perspectives.

Keywords: Transformation, Inclusiveness, Political Economy, Systems Thinking, Reproduction.

JEL Codes: F43, 036, P11.

RELATIONSHIP BETWEEN STRESS, ANXIETY, DEPRESSION, CONSCIENTIOUSNESS AND PROCRASTINATION IN EMPLOYEE

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ABSTRACT

Model as predictors of procrastination. A total of 361 employed individuals, 207 male (57.3%) and 154 female (42.7%), aged 18-73 (mean = 34.33; s = 10.47), participated in the study. Participants were administered the A Procrastination Scale-15, the Hospital Anxiety and Depression Scale, the A Stress Scale-36, the Big Five-50 Personality Test, and the Self-Esteem subscale of the Melbourne Decision-Making Scale. The results showed that when procrastination was predicted by stress, anxiety, and depression scores, all three variables significantly predicted procrastination, explaining 16.8% of the variance. However, when self-esteem was included as an independent variable, anxiety was no longer a predictor of procrastination. In this condition, 20.0% of the variance in procrastination was explained. When procrastination was predicted using anxiety, depression, and stress along with Conscientiousness scores, Conscientiousness and depression were statistically significant predictors. In this condition, depression and Conscientiousness explained 48.2% of the variance in procrastination. When self-esteem and the personality trait of Conscientiousness were considered as independent variables, all three variables -anxiety, stress, and depression-were no longer predictors of procrastination. Under these conditions, self-esteem and Conscientiousness explained 48.8% of the variance in procrastination. When procrastination was predicted by only five personality factors, 45.4% of the variance was explained. The results were discussed, and suggestions were presented.

Keywords: Procrastination, Conscientiousness, Stress, Anxiety, Depression

JEL Codes: J24, M12, D91

ECONOMIC POLICY UNCERTAINTY AND THE NON-PERFORMING LOANS: A DCC-GARCH AND MARKOV SWITCHING ANALYSIS IN THE CASE OF TURKISH BANKING SECTOR

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ABSTRACT

Assessing the impact of macroeconomic uncertainty on financial stability is particularly crucial for developing economies such as Turkey, where the repercussions of policy shocks can deeply affect the banking system. This study rests on the premise that financial fragility may arise not only from macroeconomic fluctuations but also from the unpredictability of economic policy direction. From a theoretical standpoint, uncertainty shocks influence the real economy through both the investment and credit channels. For this reason, heightened economic policy uncertainty (EPU) is expected to increase banks' non-performing loans (NPLs) by constraining credit supply and weakening borrower quality.

The main objective of this study is to investigate the dynamic relationship between economic policy uncertainty and banking sector credit risk in Turkey over the period 2006:M1-2024:M12. Methodologically, a two-stage econometric strategy is employed. In the first stage, time-varying conditional correlations between EPU and NPLs are estimated using the Dynamic Conditional Correlation Generalized Autoregressive Conditional Heteroskedasticity (DCC-GARCH) model. In the second stage, the Markov Switching Regression (MSR) model is utilized to capture the regime-dependent dynamics of the relationship across low- and high-volatility periods.

Empirical findings indicate that the correlation between EPU and NPLs strengthens markedly during episodes of heightened uncertainty, including the 2008 Global Financial Crisis, the 2018 Currency Crisis, the 2020 COVID-19 pandemic, and the 2022 Russia-Ukraine War. While the DCC-GARCH results suggest that uncertainty shocks move synchronously with fluctuations in the financial system, the MSR results reveal that the effect of EPU on NPLs is significantly stronger during high-volatility regimes. Overall, the results underscore that macroeconomic stability is a fundamental prerequisite for financial stability. Reducing policy uncertainty and enhancing the predictability of monetary and fiscal policies would contribute to a more resilient financial system by mitigating credit risk and systemic vulnerabilities within the banking sector.

Keywords: Economic Policy Uncertainty, Non-Performing Loans, Banking, Credit Risk, GARCH.

JEL Codes: C23, C33, G21.