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WELCOME MESSAGE

International Conference on Applied Economics and Finance (ICOAEF XVI) held on 9th-10th June, 2026 in Blacksea Trade and Development Bank Thessaloniki-Greece. We are glad ICOAEF-XVI gathered many successful academics and professionals around the World. 67 papers were submitted, and 58 papers presented during ICOAEF-XVI from 16 different countries.

This conference provided as a well-fitted platform for discussions about the researches. This conference abstract proceeding contains 58 papers presented both online and in person. ICOAEF-XVI participants consisted of from 17 different countries, 16 Turkish universities. Scientific board rejected 9 papers directly due to the inconvenience of conference topics, theme and structure of ICOAEF-XVI. Scientific committee also requested some revisions to 13 different papers then these papers accepted and presented during the conference. All submissions for ICOAEF-XVI scientifically reviewed and evaluated by scientific committee members.

We believe that ICOAEF-XVI 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 (4), Azerbaijan (1), Central African Republic (2), Cyprus (1), Denmark (1), Ethiopia (1), France (1), Greece (3), Hungary (1), Indonesia (1), Italy (2), Kyrgyzstan (2), Lebanon (1), Malaysia (3), Romania (3), Saudi Arabia (1), South Africa (1), Türkiye (26), United States (3). Finally, we would like to thank Blacksea Trade and Development Bank, Aristotle University, Anatolia American University, and our esteemed ICOAEF-XVI participants who shared their deep knowledge and experience at ICOAEF-XVI. We would like to be together in our following organizations.

On behalf of Conference Organization Committee

Prof. H. Murat ERTUGRUL

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DETERMINANTS OF CARBON INTENSITY IN TÜRKİYE: ENERGY INTENSITY AND CAPITAL DEEPENING

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ABSTRACT

This study analyses the short-term and long-term effects of energy intensity and capital deepening on carbon intensity in Türkiye during the period 1965-2023 using an ARDL model. Carbon intensity is a critical indicator in combating climate change and in the process of aligning with the European Union's Carbon Border Adjustment Mechanism (CBAM), directly affecting Türkiye's export competitiveness. The findings show that a 1% increase in energy intensity increases carbon intensity by 0.43% in the short term and 1.04% in the long term. Capital deepening exerts a statistically significant negative effect on carbon intensity in both the short and long run. Specifically, a 1% increase in capital deepening is associated with a 0.048% reduction in carbon intensity in the short term, with this effect intensifying to 0.12% in the long term. Nevertheless, despite the persistent and substantial increase in Türkiye's capital deepening over the period under examination, energy and carbon intensity have not decreased to the expected level. This finding suggests that capital deepening alone cannot be relied upon as a sufficient mechanism for reducing carbon intensity. However, the capital accumulation directed towards renewable energy investments with the Renewable Energy Resources Support Mechanism (YEKDEM) regulations after 2011 shows that the correct incentive design is crucial. The study emphasizes that energy efficiency and incentive policies should be considered together in Türkiye's decarbonization process.

Keywords: Carbon Intensity, Energy Intensity, Capital Deepening, ARDL, Türkiye.

JEL Codes: Q43, J21, H54.

EVALUATION OF THE COMPLIANCE OF THE COURT OF ACCOUNTS REFORM IN TÜRKİYE WITH INTERNATIONAL STANDARDS

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ABSTRACT

The reform of the Court of Accounts in Türkiye was primarily shaped within the framework of the new Court of Accounts Law No. 6085, adopted in 2010. The reform process represents a transition from the traditional approach of compliance auditing to a system of performance and financial auditing aligned with international standards. Within the scope of international harmonization, the auditing approach of the Court of Accounts was restructured in accordance with the principles of transparency, accountability, and performance-oriented auditing promoted by the International Organization of Supreme Audit Institutions (INTOSAI) and the European Organization of Supreme Audit Institutions (EUROSAI). With the adoption of performance and system auditing, the Court of Accounts has evolved beyond merely examining whether public expenditures comply with legal and procedural requirements. It has become a supreme audit institution that evaluates public administrations in terms of economy, efficiency, and effectiveness. Through Law No. 6085, performance auditing was incorporated alongside regularity auditing as one of the principal components of the Court's auditing functions. One of the significant dimensions of the reform concerns judicial accountability in public financial management. The Court of Accounts possesses the authority to issue final judgments regarding public losses arising from the accounts and transactions of public officials. The reform process reorganized this judicial function through mechanisms designed to operate in a more independent, efficient, and internationally compatible manner. In this regard, structural changes introduced in the reporting processes of the Court of Accounts have facilitated public access to information and contributed to strengthening fiscal discipline within public administration. In terms of transparency, major developments include the expansion of publicly accessible reporting mechanisms, the publication of audit reports through digital platforms, and the encouragement of financial reporting in line with international standards. From the perspective of accountability, public officials have increasingly been held directly responsible for the effective, economical, and efficient use of public resources. This study aims to examine the impact of the Court of Accounts reform in Türkiye on transparency and accountability through empirical data and to evaluate the outcomes of the reform process. Secondary data obtained from the official reports of the Turkish Court of Accounts will be utilized to assess the extent to which the reform has implemented INTOSAI and EUROSAI standards. In addition, the periods before and after the implementation of Law No. 6085 will be comparatively analyzed through quantitative indicators.

Keywords: Court of Accounts, Audit, Transparency, Accountability, Judicial Accountability.

JEL Codes: H11, H83, M42.

THE IMPACT OF HUMAN CAPITAL ON ECONOMIC GROWTH IN ASIAN COUNTRIES: A CURRENT PANEL DATA ANALYSIS

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ABSTRACT

Human capital remains significant in the economics literature as one of the key determinants of sustainable economic growth. This study examines the effects of public education and health expenditures, life expectancy at birth, and secondary school enrolment rates on economic growth for the period 2014-2021 in 48 Asian countries. In the changing economic conjuncture, while Asian countries recorded an average growth of 4.8%, human capital investments showed regional differences. According to the Fixed Effects Model (FEM) results, gross fixed capital formation, public health expenditures, life expectancy at birth, and secondary school enrolment rates positively and significantly affect economic growth. It has been determined that a 1% increase in health expenditures raises growth by 0.14%. In contrast, public education expenditures and population growth negatively affect growth. The fact that the public share allocated to education in Southeast Asia remains at only 3% of GDP indicates structural issues in resource distribution. The findings indicate that the quality of human capital investments is more important than their quantity and highlight the necessity for policies aligned with demographic dynamics.

Keywords: Human Capital, Economic Growth, Health Expenditures, Education Expenditures, Panel Data Analysis, Asian Economies.

JEL Codes:

IS THERE A CAUSAL RELATIONSHIP BETWEEN CDS PREMIUMS, EXCHANGE RATE AND INFLATION IN THE TURKISH ECONOMY?

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ABSTRACT

In this study, the relationships between credit default swap (CDS) premiums, exchange rate, and inflation in the Turkish economy is analyzed using the Granger causality test. The empirical findings reveal a strong bidirectional causality between exchange rate and inflation, with the effect from exchange rate to inflation being more pronounced. This finding provides evidence of a high degree of exchange rate pass-through in Türkiye. In contrast, no statistically significant causal relationship is detected between CDS premiums and inflation. However, a unidirectional and statistically significant causality running from CDS premiums to exchange rate is identified. This suggests that sovereign risk indicators may serve as leading indicators for exchange rate movements in financial markets. Overall, the results indicate that inflation dynamics in Türkiye are primarily driven by exchange rate fluctuations, while CDS premiums play an indirect and limited role through the financial transmission channel, mainly affecting exchange rate rather than prices directly.

Keywords: CDS Premiums, Exchange Rate, Inflation, Granger Causality Test.

JEL Codes:

DO INSTITUTIONS UNLOCK GREEN ECONOMIC GROWTH? EVIDENCE FROM GREEN INNOVATION, TRADE, AND ENERGY

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ABSTRACT

Green growth is becoming a strategic development direction in Vietnam's economic transformation process, especially in the context of the government increasingly emphasizing the role of technological innovation, sustainable trade, and energy transition to harmonize economic growth and environmental protection. Stemming from this practical need, this study empirically investigates the impact of green innovation, green trade, and clean energy production on Vietnam's green economic growth, while clarifying the role of institutional quality in shaping the effectiveness of these green drivers. Utilizing annual data over the period 2002–2021 from different reliable sources, this study employs the fully modified ordinary least squares (FMOLS) to estimate the relationship between the research variables and handle common problems in time-series data.

Empirical results indicate that green innovation, green trade, and cleaner energy production all contribute positively to Vietnam's green economic growth. This finding implies that promoting environmentally friendly technological innovation, expanding green trade flows, and increasing capacity for cleaner energy production can lay a crucial foundation for the transition to a more sustainable growth model. However, when institutional quality is incorporated into the model as a conditional factor, the results show that the impacts of green drivers are not entirely uniform. Specifically, green innovation and cleaner energy production continue to have a significant positive impact on green economic growth, while green trade exhibits a significant negative impact. The robustness test, conducted by replacing cleaner energy production with cleaner energy consumption, also shows a similar trend, thus reinforcing the reliability of the empirical findings.

This study contributes to the literature on green growth by providing specific empirical evidence for Vietnam, a developing economy with an urgent need for green transition. Our findings suggest that Vietnam needs to continue encouraging green innovation and expanding cleaner energy while improving institutional quality to enhance the effectiveness of green policy implementation. In particular, green trade needs more prudent governance through clear environmental standards, better monitoring capacity, and mechanisms for screening imported goods and technologies, ensuring that trade truly becomes a driver of green economic growth rather than creating additional environmental pressure or undermining the effectiveness of the green transition.

Keywords: Green Innovation, Green Trade, Cleaner Energy Production, Cleaner Energy Consumption, Green Economic Growth, Institutional Quality.

JEL Codes: O4, Q5, F18.

CHINA'S AI COMPANIES FINANCIAL PERFORMANCE – WHAT DOES THE FUTURE HOLD FOR THEM?

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ABSTRACT

China's artificial intelligence (AI) industry has experienced rapid growth over the past decade, driven by strong government support, a vast consumer base, and continuous technological advancements. As a global leader in AI innovation, the sector comprises major technology conglomerates and specialized AI firms, with financial performance serving as a key indicator of sustainability and competitiveness. Leading companies such as Baidu, Alibaba, and Tencent have integrated AI into various sectors, including cloud computing, e-commerce, and gaming, while firms like SenseTime and iFlytek specialize in facial recognition and speech processing. Despite challenges such as regulatory risks and high research and development costs, these companies continue to expand through AI-driven innovations. Investment trends, including strong government backing and venture capital funding, further shape the industry's trajectory. However, factors like stock market volatility and competitive pressures highlight the complexities of maintaining profitability in China's evolving AI landscape.

Keywords: AI, Financial Performance, Clustering Analysis, China.

JEL Codes: O33, L86, G32.

COMPARATIVE ANALYSIS OF AI REGULATION IN CHINA AND EURASIAN COUNTRIES: IMPLICATIONS FOR TRADE AND ECONOMIC ENGAGEMENT

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ABSTRACT

This paper presents a comparative analysis of the artificial intelligence regulatory frameworks in the People's Republic of China and key Eurasian states, specifically Kazakhstan and Russia, examining their implications for international trade and economic engagement. It argues that governance of AI is a fundamental manifestation of divergent political philosophies and socio-economic priorities, leading to significant market fragmentation. China's paradigm is characterized by a mature, state-centric model that strategically subordinates technological development to objectives of national rejuvenation, digital sovereignty, and regime security, creating a cohesive but insular ecosystem. In contrast, Eurasian states exhibit strategic hybridity: Kazakhstan's legislative approach adapts EU-inspired risk-based structures to local contexts emphasizing state-led development, while Russia employs strategic ambiguity and experimental tools like regulatory sandboxes to pursue technological autarky. The analysis reveals that core incompatibilities in data governance, risk calculus, and ethical imperatives act as substantial non-tariff barriers, complicating cross-border data flows, collaborative R&D, and supply chain integration. Furthermore, these regulatory divergences are intensified by geopolitical contestation, instrumentalizing technology policy as economic statecraft and forcing Eurasian states into a precarious balancing act between major normative powers. The study concludes that the global AI governance landscape is moving toward enduring pluralism rather than convergence, necessitating pragmatic multilateral dialogue, technical cooperation, and adaptive business strategies to navigate fragmentation and foster sustainable economic engagement in the AI age.

Keywords: AI Regulation, China-Eurasia Comparison, Digital Sovereignty, Regulatory Fragmentation, Trade Barriers.

JEL Codes: O38, F13, P48.

THE ROOTS OF HOPE: A MICROECONOMETRIC ANALYSIS OF PERSONAL AND ECONOMIC FACTORS

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ABSTRACT

Understanding the determinants of hope is crucial for both individual well-being and societal resilience, particularly in developing economies facing economic uncertainties. While previous research has examined hope primarily through psychological frameworks, limited attention has been paid to the relative importance of objective life events versus subjective perceptions in shaping future expectations. This study investigates what drives hope for the future among Turkish citizens, specifically examining whether actual economic shocks or subjective satisfaction matters more for maintaining optimism. Using microdata from the Turkish Life Satisfaction Survey 2024 (n=9,462), we employ an ordered logit model to analyze hope levels across four categories. We examine 15 independent variables spanning demographics, economic shocks, life events, and satisfaction measures. The Brant test assesses the proportional odds assumption, while multinomial logit serves as a robustness check. Critically, we apply Shapley value decomposition (LMG method) to quantify each variable's relative contribution to explaining hope—an approach that addresses multicollinearity concerns inherent in traditional regression interpretation. Shapley decomposition reveals that income satisfaction dominates, explaining 44.5% of total variance, followed by health satisfaction (22.5%). Together, these subjective measures account for 67% of the explained variance. Objective economic events prove surprisingly weak—income satisfaction's contribution exceeds the actual income decrease by thirteen-fold (44.5% vs 3.4%). The ordered logit confirms an education paradox: graduate-educated individuals show 43% lower odds of high hope compared to those without formal schooling (OR=0.57, $p<0.001$). Economic coping behaviors, particularly switching to cheaper products, demonstrate the strongest negative coefficient ($\beta=-0.468$, $p<0.001$). This study pioneers the application of Shapley value decomposition to hope research, providing a precise quantification of variable importance rather than relying solely on statistical significance. Our finding that perception trumps reality offers actionable insights for policymakers. Results suggest that policies targeting subjective well-being—not merely objective economic conditions—may prove more effective in fostering societal optimism. The education-hope paradox highlights the need to address educated unemployment in developing economies.

Keywords: Hope, Future Expectations, Ordered Logit, Shapley Value Decomposition, Subjective Well-Being, Economic Shocks, Türkiye.

JEL Codes: I31, D84, C45.

ARE TECHNOLOGICAL INNOVATIONS ENVIRONMENT-FRIENDLY? EVIDENCE FROM CENTRAL ASIA

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ABSTRACT

This study, for the first time, disentangles the direct and indirect impacts of technological innovations on carbon dioxide (CO_2) emissions in Central Asian countries (CACs). For the estimation, we implement system generalized method moments (GMM) and pooled mean group (PMG) analysis using the latest panel data from 1992 to 2021. The results of the empirical analysis indicate that technological innovations (proxied by R&D and patent applications) increase CO_2 emissions, especially in fossil fuel-driven central Asian countries. On the other hand, FDI and the interaction between FDI and R&D (indirect effect) reduce CO_2 emissions. Previous studies neglect such an empirical approach by navigating the indirect impact of proxies for technological innovation on CO_2 emissions using short- and long-run analyses. From a policy perspective, a shift in public policy is needed. First, to curb environmental pollution, green technologies (induced by green R&D and patents) must be encouraged, and second by attracting green foreign investment across Central Asian countries.

Keywords: R&D, Patent Applications, CO2 Emissions, Central Asia.

JEL Codes:

AI UNCERTAINTY AND GLOBAL STOCK MARKET VOLATILITY ANY SIGNALS OF A DOT COM 2.0?

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ABSTRACT

Motivated by “Dot-com 2.0” concerns around AI, this letter asks whether AI-related uncertainty spills over to global stock-market implied volatility. Using a newly released news-based AI uncertainty index and VIX-type benchmarks for the US, Europe, China/Hong Kong, India, and Japan, we estimate time-varying quantile and quantile-on-quantile connectedness models (Chatziantoniou et al., 2021; Gabauer and Stenfors, 2024). We find that AI-related uncertainty is usually a passenger, not a driver, but in the tails, it can episodically switch roles and transmit shocks during concentrated waves of AI attention and policy news. Strikingly, these transmitter episodes are most pronounced in misaligned uncertainty-volatility states, when volatility is low and AI-related uncertainty is high, and when volatility is high even if AI-related uncertainty is relatively low, consistent with rational inattention and liquidity and margin spirals.

Keywords: Dot-com 2.0, AI Uncertainty, Financial Instability.

JEL Codes:

BEYOND INTEGRATION: EVALUATING FINANCIAL DEEPENING AND GROWTH EFFECTS OF FDI INFLOWS INTO THE BRICS+ ECONOMIES

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ABSTRACT

This study examines the influence of Foreign Direct Investment (FDI) inflows on financial deepening and economic growth in the recently expanded BRICS grouping, now known as BRICS+. This grouping, which now holds a substantial share of global GDP and investment, has significantly enhanced its economic influence and integration by admitting new member states. Understanding how deepened foreign capital flows might foster the development of domestic financial systems and stimulate growth is of paramount importance. Grounded in theories that link international capital to domestic financial maturity and productivity gains, this research aims to determine whether FDI inflows into BRICS+ stimulate broader financial inclusion and market efficiency.

The analysis is based on a balanced panel dataset that covers key macroeconomic and institutional variables, capturing the expanded bloc's cross-sectional and temporal dimensions. The study measures financial deepening through indicators such as the ratio of private-sector credit to GDP, stock market capitalisation, and broad money supply (M2) as a percentage of GDP. These indicators gauge the sophistication and breadth of financial services. The study employs the dynamic panel Generalised Method of Moments (GMM) estimation technique to address endogeneity concerns, including the possibility that deeper financial systems attract FDI. The primary explanatory variable is FDI inflows (as a share of GDP), supplemented by controls for GDP per capita, inflation, trade openness, institutional quality, and other relevant factors. The GMM framework helps isolate the causal effect of FDI on financial sector depth and, by extension, long-run economic growth trajectories across the member countries.

The findings of this study will provide timely and valuable insights into how BRICS+ can leverage its expanded membership and increased global visibility to foster stronger financial structures. These results are crucial for policymakers, as they can use this knowledge to direct FDI towards sustainable growth, fortify financial stability, and ensure that the benefits of more comprehensive, more inclusive financial markets are felt throughout the entire bloc.

Keywords: BRICS, Financial Deepening, FDI, Economic Growth, GMM.

JEL Codes:

FROM FIELDS TO FACTORIES: MALARIA ERADICATION AND STRUCTURAL TRANSFORMATION IN POST-WAR ITALY

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ABSTRACT

This paper studies the long-term economic impact of malaria eradication in post-war Italy, one of the first countries to implement a nationwide campaign (1947–mid 1950s). Using a new panel dataset (1911–1981) and a matched difference-in-differences approach, we compare historically malarial areas to non-malarial areas with similar pre-treatment characteristics.

We find that eradication significantly accelerated structural transformation, boosting industrial and manufacturing employment. These effects unfolded gradually and are robust to controls for confounding policies and divergent local growth paths. Mechanism analysis reveals that eradication raised agricultural productivity by enabling a more efficient crop mix and fostering mechanization, particularly where potential for modernization was highest.

Keywords: Structural Change, Agricultural Productivity, Malaria Eradication.

JEL Codes: I15, J43, N34.

LABOR MARKET IMPLICATIONS OF DIGITAL AND AI TRANSFORMATION: A CROSS COUNTRY ASSESSMENT

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ABSTRACT

The purpose of this study is to elaborate on the effects of digital and AI transformations over the labor markets. In that line, this research provides a comparative cross-country analysis of post Industry 4.0 and Industry 5.0 transitions in labor markets. We aim to critically analyze macro implications of the digital and AI revolutions on Labor markets as well as their projected future impacts. Cross-country implications in manufacturing sectors are particularly eye-catching. After all, digitalisation is already transforming business processes, reshaping and redefining the world of labor, and redrawing the boundaries of modern production, distribution, exchange and consumption. Technology is presented as the driving force underlying society's continuous transformation. Artificial intelligence platforms and algorithms are among the technological instruments that are disrupting traditional business organisations and their management methods, which many regard as a form of creative destruction of the past models.

Furthermore, development of new production methods has been a key factor in transformation of economic and social life, throughout the history. This transformation has particularly accelerated since the Industrial Revolution. Digital economies has created irregular, flexible and variable types of work by shifting information and communication to the center of production. Meanwhile, while production in the industrial age required being tied to a specific location, the digital age has eliminated this tie too. This process has now entered a new phase with the contemporary artificial intelligence revolution. However, today's AI or automation revolution is in a way resembling the period of the industrial revolution, transforming the nature, structure and organization of labor, just as the mechanization has then led to the creation of many complex professions, which today include robotics, AI and machine learning.

Keywords: Digitalization, AI, Labor Markets, Industry 4.0, Industry 5.0.

JEL Codes: J11, J40, J62.

IS GREEN TRANSITION PREDICTIVE A MACHINE LEARNING EVALUATION OF CARBON PRICE SPILLOVERS ON EUROPEAN EQUITY SECTORS

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ABSTRACT

As the European Union accelerates its decarbonization objectives, the predictive power of carbon pricing for financial markets has become a vital focus for managing systemic risk. This study examines the spillover effects of European Union Emissions Trading System (EU ETS) carbon prices on "clean" (S&P Global Clean Energy) and "dirty" (STOXX Europe 600 Utilities and Energy) equity sectors through a hybrid predictive framework. Moving beyond traditional linear models, we combine Quantile-on-Quantile Regression (QQR) with Machine Learning (ML) algorithms, specifically Random Forest and Gradient Boosting Machines (GBM), to assess whether fluctuations in carbon prices can forecast sectoral return distributions. The theoretical foundation rests on the asset-pricing implications of climate policy uncertainty and the transition risk hypothesis.

Methodologically, we first use QQR to capture asymmetric, state-dependent dependencies across market conditions (bull vs. bear). Next, these quantile-based features serve as inputs for ML models to improve the accuracy of forecasting sectoral volatility spillovers. The expected results aim to determine whether carbon prices hold significant predictive information, especially during periods of high market stress (extreme quantiles). It is hypothesized that ML models will outperform conventional time-series benchmarks by more effectively capturing non-linear tail dependencies, demonstrating that the green transition is a powerful predictive factor for European equity dynamics.

The expected results aim to provide detailed insights for institutional investors seeking to optimize portfolio decarbonization and for policymakers monitoring financial stability risks associated with climate policy changes. By validating the integration of ML with quantile-based metrics, this study seeks to provide a strong framework for understanding the changing links between carbon markets and financial systems.

Keywords: Carbon Pricing, Green Transition, Machine Learning, Quantile-on-Quantile, European Equity Sectors.

JEL Codes:

JUST TRANSITION: NAVIGATING SUSTAINABILITY AND INDIGENOUS SELF-DETERMINATION

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ABSTRACT

What happens when sustainability frameworks designed to protect the environment end up harming the communities they aim to support? This study examines that paradox through the lens of the Alaska Native Claims Settlement Act (ANCSA), focusing on how it continues to influence the economic and political realities of Alaska Native communities, especially regarding ESG expectations and Indigenous self-determination. By analyzing ANCSA's institutional structure, including the revenue-sharing mechanisms in Sections 7(i) and 7(j), and the role of Alaska Native corporations in rural economies, the study suggests that standard ESG frameworks are ill-suited to Alaska's unique conditions. These frameworks often assume dense infrastructure, diverse economies, and interconnected energy systems. However, these assumptions do not hold in a state characterized by remote communities, isolated microgrids, high transportation costs, and an ongoing reliance on resource extraction as the primary source of income.

Under ANCSA, Alaska Native corporations have become key economic players, directing resource income toward jobs, dividends, scholarships, social services, and cultural preservation, as shown in their own institutional records and by Alaska Native leaders. In this context, resource extraction is not just an environmental issue; it also supports community well-being, local governance, and Indigenous economic sovereignty. The study concludes that successful sustainability planning in Alaska requires a Just Transition framework that prioritizes Indigenous decision-making and carefully considers sequencing, ensuring economic alternatives are viable before dismantling existing revenue systems. It states that meaningful ESG engagement in remote Indigenous communities must be locally rooted, historically informed, and structurally flexible enough to understand that extraction and cultural preservation are often interconnected rather than separate. Imposing external transition timelines risks worsening, not alleviating, the inequities theseframeworks aim to address.

Keywords: Just Transition, Alaska Native Claims Settlement Act, Indigenous Self-determination, ESG; Alaska Native Corporations, Resource Extraction, Green Colonialism, Remote Communities, Revenue Sharing.

JEL Codes:

ENERGY POLICIES AND ECONOMIC SECURITY IN THE EASTERN MEDITERRANEAN: CHALLENGES OF REGIONAL COOPERATION IN THE CONTEXT OF CYPRUS

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ABSTRACT

The Eastern Mediterranean has become a significant geopolitical and geo-economic region on a global scale in recent years, particularly with the discovery of hydrocarbon resources and the development of regional cooperation initiatives. In this context, the Cyprus issue has evolved beyond a political problem between two communities and has acquired a multidimensional character directly linked to energy policies, economic relations, and regional cooperation dynamics.

This study aims to examine the relationship between energy policies and economic security in the Eastern Mediterranean within the context of Cyprus. In particular, the effects of natural gas discoveries, Exclusive Economic Zone (EEZ) disputes, and regional cooperation mechanisms on the economic balances and political relations in the region are analyzed. The study also evaluates how these energy policies are shaped by different actors and how these processes influence the possibilities of economic cooperation.

Within the framework of a qualitative research method, official documents, international reports, and regional policy texts are analyzed to assess the impact of energy-driven developments on economic security in the Eastern Mediterranean. In addition, the study comparatively examines the approaches of regional actors toward energy policies.

The findings indicate that sustainable and long-term economic cooperation in the region can only be achieved through a multilateral and balanced approach. The current situation, however, remains limited at times due to economic mismatches and security-related concerns.

This study contributes to the literature by addressing the Cyprus issue within the framework of energy policies and economic security, and provides an analytical evaluation for a more balanced economic structure in the Eastern Mediterranean.

Keywords: Eastern Mediterranean, Energy Policies, Economic Security, Cyprus Issue, Regional Cooperation.

JEL Codes:

POLITICAL INCLUSIVENESS, INNOVATION SYSTEMS AND DEVELOPMENT PATHWAYS IN EUROPE: THE CAPABILITIES' SQUEEZER FRAMEWORK

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ABSTRACT

This paper develops and empirically validates a systemic framework for understanding divergent development pathways under conditions of structural transformation. Integrating insights from political economy, national innovation systems, and Schumpeterian theories of creative destruction, the study conceptualizes development as an evolutionary process driven by the circulation and selective concentration of productive capabilities across political, social, and market structures. This mechanism is defined as the "capabilities' squeezer," through which capabilities are channeled into a central innovation core, where knowledge is generated and diffused back into the economy as economic and social surplus.

To operationalize this framework, the study employs a multidimensional dataset of 43 institutional, market, and innovation-related variables across 61 countries over the period 2017–2019. Using exploratory factor analysis, four structural dimensions of development are identified: (i) institutional rule formation and political inclusiveness, (ii) open market conditions and entrepreneurial dynamics, (iii) innovation and knowledge system performance, and (iv) endogenous productive capacity. These dimensions capture the systemic interactions through which development processes unfold.

Building on the extracted latent factors, cluster analysis is applied to classify European economies into distinct national systems of development structures. The results reveal significant heterogeneity in how countries combine institutional inclusiveness, market openness, and innovation capacity. A key finding is the emergence of a dual-core mechanism linking political inclusiveness and pioneering innovation performance. Economies characterized by inclusive governance structures are more effective in articulating social needs and channeling them into innovation processes, achieving stronger productivity growth and competitive outcomes.

The findings suggest that development trajectories are not determined by isolated factors such as institutional quality or market openness alone, but by the coherence and alignment of interactions across systemic levels. Political inclusiveness functions as a critical selection mechanism that shapes the mobilization and transformation of capabilities into innovation and productive activity.

The paper contributes to the literature by offering an integrated analytical framework that bridges political economy and innovation systems approaches, providing a diagnostic tool for understanding development divergence and the European convergence paradox. It also highlights the importance of systemic policy approaches that strengthen coordination between institutions, markets, and innovation systems to support sustainable and inclusive development.

Keywords: Development Pathways, Political İnclusiveness, Innovation Systems, Structural Change, Evolutionary Political Economy.

JEL Codes:

THE DUAL ECONOMIC IMPACT OF MAFIA-TYPE ORGANIZATIONS IN ITALY: EVIDENCE FROM 106 PROVINCES

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ABSTRACT

This paper investigates the impact of mafia-type association and money laundering crimes on GDP per capita across 106 Italian provinces over the period 2008-2017. Using Prais-Winsten regression with panel-corrected standard errors (WP-PCSE) and ordinary least squares with Driscoll and Kraay's standard errors (OLS-DK) with year and regional effects, the analysis provides robust evidence of a dual and contrasting effect of organized crime on economic performance. Mafia-type associations are found to significantly hinder economic growth. In particular, a one-unit increase in mafia-type association crimes per 100,000 inhabitants is associated, on average, with a reduction of approximately 546.63 US dollars in GDP per capita. This result supports the view of mafia organizations as a coercive force that weakens local economic systems by distorting market competition, discouraging investment, and undermining institutional efficiency. Conversely, money laundering crimes and suspicious transaction reports are positively associated with GDP per capita. A one-unit increase in money laundering crimes and suspicious transactions corresponds, on average, to an increase of about 26.03 and 134.35 US dollars in GDP per capita, respectively. Although this finding may appear counterintuitive, it is consistent with the reinvestment of illicit proceeds into the formal economy, particularly in more industrialized areas. However, this apparent contribution to economic activity may conceal deeper structural distortions, including unfair competitive advantages, resource misallocation, and the crowding out of legitimate firms. These findings point to the need for a comprehensive policy response. Strengthening anti-mafia enforcement is essential to limit the territorial and institutional influence of criminal organizations. At the same time, improving financial intelligence systems and enhancing the monitoring of suspicious transactions are crucial to preventing the infiltration of illicit capital into the legal economy. Such coordinated interventions are necessary to preserve market integrity, ensure fair competition, and support sustainable long-term growth.

Keywords: Mafia-type Organizations, Money Laundering, Economic Growth, Driscoll-Kraay's Approach, Italy.

JEL Codes: E26, K4, O1.

STANDARDIZATION OF COMMUNICATION TERMINOLOGY AMONG TURKIC STATES: A MODEL PROPOSAL FROM THE PERSPECTIVE OF PUBLIC DIPLOMACY

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ABSTRACT

In recent years, the growing political, economic, and cultural cooperation among Turkic States has highlighted the need for a common understanding and standardized terminology in the field of communication. However, due to differences in historical, linguistic, and institutional developments, communication-related concepts vary across countries. This variation leads to inconsistencies, semantic shifts, and reduced effectiveness in public diplomacy practices. This study aims to examine the necessity of standardizing communication terminology among Turkic States from a public diplomacy perspective.

The research adopts a qualitative approach and employs comparative document analysis. Official documents, media content, and communication materials from selected Turkic States—primarily Türkiye and Uzbekistan—are analyzed to identify terminological discrepancies. The findings reveal that identical or similar concepts are expressed differently across countries, which complicates accurate message transmission and weakens strategic communication efforts.

Based on these findings, the study proposes a multi-stakeholder model for the development of a common communication terminology. The proposed model includes institutional coordination mechanisms, the establishment of a digital terminology database, and structured processes for education and dissemination. It emphasizes the importance of collaborative efforts among academic institutions, public bodies, and media organizations.

In conclusion, the standardization of communication terminology is not merely a linguistic initiative but a strategic tool that can significantly enhance the effectiveness of public diplomacy among Turkic States. By fostering conceptual coherence and mutual understanding, such efforts can contribute to stronger regional cooperation and more effective international communication strategies.

Keywords: Turkic States, Communication Terminology, Public Diplomacy, Strategic Communication, Intercultural Communication.

JEL Codes:

THE ROLE AND APPLICATIONS OF COST ACCOUNTING IN MEASURING COMPANIES' SUSTAINABILITY PERFORMANCE

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ABSTRACT

In recent years, climate change, resource scarcity, and rising stakeholder expectations have significantly transformed how business performance is evaluated. Firms are no longer assessed solely on financial results; environmental and social impacts are now integral components of corporate performance. In this context, sustainability has evolved from a voluntary corporate responsibility initiative into a strategic necessity. However, a critical challenge remains: sustainability objectives cannot be effectively managed unless they are systematically measured and monitored. Traditional accounting and performance measurement systems, which mainly focus on financial outcomes, are often insufficient to capture environmental and social impacts transparently and comparably.

This study aims to examine the role of cost accounting in measuring sustainability performance from a conceptual and review-based perspective. It argues that cost accounting, as a core management accounting tool, provides a suitable framework for making environmental and social impacts visible through cost information. A significant part of sustainability-related impacts is reflected in organizations' cost structures, either directly or indirectly.

Nevertheless, conventional cost systems tend to hide these costs within overheads, limiting their usefulness for

Sustainability-oriented decision-making. Within this framework, the study reviews and discusses several sustainability-oriented cost accounting approaches, including environmental cost accounting, activity-based costing, life cycle costing, and material flow cost accounting. In addition, the cost dimension of social sustainability, such as occupational health and safety expenditures, training investments, and employee welfare practices, is also addressed. The study further highlights the role of sustainability and integrated reporting in presenting cost-based environmental and social performance information to stakeholders in a more transparent and holistic manner.

The findings of this conceptual review suggest that cost accounting has a strong potential to support sustainability performance measurement and strategic decision-making. However, the widespread use of traditional cost systems and limitations in data and system infrastructure remain significant barriers in practice. The study concludes that integrating environmental and social costs into accounting systems is essential for supporting long-term value creation and for strengthening the strategic role of accounting in sustainability management.

Keywords: Sustainability, Integrated Reporting, Cost Accounting, Performance Measurement.

JEL Codes: L25, M41, Q56.

TRADE INTEGRATION AS A CATALYST FOR GOVERNANCE: PANEL GRANGER CAUSALITY EVIDENCE FROM BRICS+ AND TÜRKIYE (2002-2023)

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ABSTRACT

This study examines the impact of regional trade agreements (RTAs) on institutional quality using a balanced panel dataset of 12 countries (BRICS countries and Türkiye) for the period 2002–2023. The theoretical framework, based on the institutional economics literature, suggests that international economic integration can promote institutional development through regulatory alignment, transparency, and policy coordination. In this context, trade agreements are expected to function as an external anchor for institutional reforms in developing economies. The institutional quality index was constructed by reducing six governance indicators (government effectiveness, political stability, voice and accountability, regulatory quality, rule of law, and control of corruption) from the World Bank WGI dataset to a single composite index using Principal Component Analysis (PCA). The RTA variable is derived from the Bayreuth University (Mario Larch) database and measures cumulative trade agreement exposure at the country-year level; unlike the traditional dummy variable approach, it captures the intensity of regional trade agreements using Python-based aggregation. Log GDP per capita, log population, and inflation deflator were used as control variables. The empirical analysis is based on the ARDL-Pooled Mean Group (PMG) approach, which models both short-term and long-term dynamics. Model selection was made according to both information criteria and the sign consistency of the coefficients with economic theory, and the ARDL(3,0) specification was preferred as the baseline model. The findings show that RTAs have a positive and statistically significant effect on institutional quality in the long term ($\beta = 0.0116$, $p < 0.01$). The negative and significant error correction term confirms the existence of a long-term equilibrium relationship. Diagnostic tests revealed the absence of autocorrelation, heteroskedasticity, and cross-sectional dependence in the model. Robustness analyses using CCEMG and AMG estimators, leave-one-out sensitivity tests, and structural break analyses support the key findings regarding the direction of the positive impact and overall stability of RTAs. Overall, the results show that regional trade agreements enhance not only economic integration but also institutional quality. These findings suggest that trade agreements can be an important institutional policy tool for developing economies.

Keywords: Regional Trade Agreements, Institutional Quality, Panel ARDL, Trade Integration.

JEL Codes: F15, C23, O43.

RUSSIA'S FOREIGN POLICY IN CENTRAL AFRICAN REPUBLIC: HISTORICAL BACKGROUND AND FUTURE PROSPECTS

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ABSTRACT

The foreign policy of Russia in Africa has been gradual in nature. Specifically, the Central African Republic has a long history of relations with Russia even during the times of the Soviet Union. Bilateral relations between CAR and Russia are more rooted in addressing the current problems of security on the ground but positioning Russia in the global stage of international politics. Russia already ensures security of the president, benefits from the minerals of diamond and gold, has access to market of its products, challenging the western cultures through ensuring its dominance. The future bilateral relations need now to give more focus to sustainable development which includes livelihoods, health, education, technological and infrastructural development. As it stands, the bilateral relations are more based on economic, political and security which are definitely good but need materialized and localized. This paper therefore aim to study the Russia-CAR bilateral relations through Neo-Realist framework of analysis. The paper shall use qualitative secondary data to better capture not the intentions of Russia-CAR relations but also perceptions and thoughts of scholarly work.

Keywords: Foreign Policy, International Relations, History, Soviet Union, Russia, Central African Republic.

JEL Codes:

INVESTIGATING DIFFERENTIAL STOCK MARKET REACTIONS TO TARIFF ANNOUNCEMENTS. EVIDENCE FROM THE US, EUROPEAN AND JAPANESE MARKETS

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ABSTRACT

This paper examines how global equity markets responded to tariff announcements made by U.S. President Trump during his second term (Jan–Oct 2025). Using a standard event-study methodology, employing the Fama–French three-factor model, the analysis calculates daily abnormal returns (AR) around each announcement and then aggregates these into average abnormal returns (AAR) and cumulative average abnormal returns (CAAR). The paper covers 19 tariff events and compares stock-market reactions across three major indices, the S&P 500 (United States), STOXX Europe 600 (Europe), and Nikkei 225 (Japan). The results show that pooled market effects are generally small and often statistically insignificant, consistent with semi-strong market efficiency. However, there is high heterogeneity across individual announcements. Some announcements are associated with significant losses, whereas others are associated with modest gains. The U.S. index appears to reflect offsetting sectoral influences, with aggregate abnormal returns near zero, reflecting simultaneous pressure on export-oriented firms and potential gains for import-competing sectors. European indices demonstrate more negative reactions, consistent with their exposure as net importers to the United States. Japanese index shows modest positive responses, which suggest that investors may anticipate potential trade diversion benefits. Overall, the findings provide new multi-country evidence on the stock market consequences of the 2025 tariffs and confirm that, in aggregate, markets incorporate trade-policy news rapidly. At the same time, the event-specific variation underscores that the impact of tariff announcements depends critically on their timing, scope and perceived credibility.

Keywords: Market Efficiency, Market Reactions to Announcements, Tariffs.

JEL Codes:

THE ROLE OF ARTIFICIAL INTELLIGENCE IN HIGHER EDUCATION: A BIBLIOGRAPHIC ANALYSIS

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ABSTRACT

This study examines the evolving role of artificial intelligence (AI) in higher education through a comprehensive bibliometric analysis grounded in socio-technical theory. The dataset was obtained from the Web of Science (WoS) database in March 2026 and includes 10,320 peer-reviewed journal articles published in English between 1975 and 2026. The data were analyzed using VOSviewer software in order to identify the intellectual structure, collaboration patterns, thematic evolution, and emerging research trends in the field. The findings indicate that research on AI in higher education remained relatively limited until the late 2010s but experienced a significant acceleration after 2020, particularly in the post-pandemic period. Publication and citation trends demonstrate that AI has become one of the most rapidly expanding research domains in higher education. The results also reveal that the literature is increasingly shaped by interdisciplinary and collaborative research networks. Co-authorship analyses show that several authors and institutions occupy central bridging positions within the scientific collaboration structure, while citation analyses highlight the emergence of influential scholars and institutions contributing to the intellectual development of the field. Keyword co-occurrence analysis demonstrates that “artificial intelligence” and “higher education” constitute the dominant conceptual foundations of the literature. In addition, emerging themes such as “generative AI,” “AI literacy,” “ChatGPT,” personalized learning, educational technology, and user acceptance have gained substantial visibility in recent years. Bibliographic coupling and co-citation analyses further reveal that the field is transitioning from a fragmented structure toward a more integrated and consolidated research domain. Overall, the findings suggest that AI applications are transforming higher education not only technologically but also organizationally and pedagogically. The study emphasizes that the implications of AI should be evaluated within the broader framework of digital transformation, digital leadership, and changing educational paradigms. Furthermore, the results highlight the growing importance of international collaboration, interdisciplinary integration, and ethical considerations in shaping the future of AI-driven higher education research.

Keywords: Artificial Intelligence, Management of Generations, Business, Digital Transformation in Higher Education.

JEL Codes: O33, M12, M10, I23.

EVALUATION OF BANKING SECTOR STOCK PERFORMANCE IN BORSA ISTANBUL USING AN ENTROPY-BASED ARAS APPROACH

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ABSTRACT

The banking sector occupies a pivotal position in financial markets owing to its substantial market value, liquidity structure, and influence on economic stability. In this context, assessing the financial performance of banking sector equities is highly significant for both investors and policy-oriented decision-makers. This study seeks to evaluate the financial performance of leading banking sector stocks traded on Borsa Istanbul through an integrated Entropy-based ARAS multi-criteria decision-making framework.

In the analysis, five banking stocks—AKBNK, GARAN, ISCTR, VAKBN, and HALKB—were identified as the decision alternatives. The evaluation was carried out based on five financial indicators: Return, Sharpe Ratio, Liquidity, Standard Deviation, and Maximum Drawdown. While Return, Sharpe Ratio, and Liquidity were classified as benefit-oriented criteria, Standard Deviation and Maximum Drawdown were defined as cost-oriented criteria. The Entropy method was applied to calculate objective criterion weights, whereas the ARAS method was employed to rank the alternatives according to their overall financial performance levels.

The empirical findings indicated that Maximum Drawdown and Liquidity constituted the most influential evaluation criteria. Based on the ARAS ranking results, GARAN achieved the highest financial performance score, followed respectively by AKBNK and ISCTR. Conversely, HALKB recorded the lowest performance level among the alternatives. Overall, the findings suggest that private sector banks exhibit comparatively stronger financial performance than public banks with respect to liquidity, risk-adjusted returns, and market stability.

The study further reveals that the integrated Entropy-based ARAS methodology offers a robust analytical framework for assessing stock performance under multiple financial criteria. Accordingly, the proposed approach may provide practical guidance for investors, portfolio managers, and financial analysts in investment decision-making processes.

Keywords: Entropy**,** ARAS, Banking Sector, Borsa Istanbul, Financial Performance, Multi-Criteria Decision Making**.**

JEL Classification: G21, G11, C44.

FINANCIAL SECTOR DEVELOPMENT AND SOCIAL WELFARE IN EAST AFRICA: THE MEDIATING ROLE OF INCOME INEQUALITY

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ABSTRACT

The persistent underdevelopment of the financial sector and entrenched income inequality in East Africa has significant implications for social welfare and inclusive development. This study examines the relationship between financial sector development (FSD), income inequality, and social welfare, emphasizing the mediating role of income inequality. Using panel data from 1990 to 2023 for seven East African countries including, Burundi, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda, the study employs dynamic heterogeneous panel models, including Mean Group (MG), Pooled Mean Group (PMG), and Dynamic Fixed Effects (DFE), alongside robustness checks using Feasible Generalized Least Squares (FGLS), Fully Modified Ordinary Least Squares (FMOLS), and Canonical Co-integration Regression (CCR). Descriptive results indicate that Kenya exhibits the highest income inequality, while Burundi has the lowest; Rwanda records the highest composite welfare index (CWI), and Sudan the lowest. Empirical findings reveal a non-linear (inverted U-shaped) relationship between FSD and income inequality, where inequality initially rises but declines beyond a turning point estimated at 0.45. Income inequality partially mediates the effect of financial sector development on welfare, highlighting the importance of inclusive financial systems. Public spending, per capita income, household consumption, lower unemployment, and economic growth reduce inequality, whereas population growth exacerbates it. Financial sector development and per capita income positively influence welfare, while inequality, debt servicing, and unemployment negatively affect it. The study concludes that advancing financial sector development is crucial for reducing income disparities and enhancing social welfare. Policy recommendations include improving financial inclusion, curbing debt burdens, reducing unemployment, and boosting household income to promote inclusive and sustainable development across East Africa.

Keywords: East Africa, Financial Inclusion, Financial Sector Development, Income Inequality, Social Welfare.

JEL Classification:

CLIMATE RISK AND THE ISTANBUL HOUSING MARKET: AN XGBOOST-QUANTILE BASED EMPIRICAL ANALYSIS

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ABSTRACT

Global climate change is leading to an increase in natural disaster events. Although the intensity and impact of these events vary regionally, future projections indicate a rise in extreme weather events, prolonged droughts, more frequent temperature extremes, heightened wildfire risks, and rising sea levels. These developments are expected to significantly affect human health, welfare, and economic systems. International agreements, particularly the Paris Agreement, aim to limit risks and prevent catastrophic levels of climate change by keeping global warming below 1.5°C above pre-industrial levels by 2100. However, if current greenhouse gas emission trends persist, global temperatures are expected to increase between 3.2°C and 5.4°C by the end of the century. Due to ocean warming and the melting of ice sheets, global mean sea level rise (SLR) is projected to reach a minimum of 0.2 meters and a maximum of 2 meters by 2100. Even if global warming is successfully limited to 1.5°C in line with international commitments, social, environmental, and economic costs will continue to rise. The impacts of climate change pose significant risks to the real estate sector. These risks affect real estate markets through increased damage-related costs, rising insurance premiums, and losses in both property value and income. For the real estate market to be prepared for climate risks and to develop effective strategies, it is essential to investigate and understand climate-related hazards. This study examines the effects of climate change-related risks on the Istanbul housing market, based on the 2.5-meter sea level rise projection for 2100 produced by NASA's Sea Level Change Team. In this study, housing sale prices were analyzed using the XGBoost-Quantile method with variables representing housing physical characteristics (net floor area, number of rooms, number of bathrooms, type of heating), environmental conditions (green space ratio, building density), and climate risk indicators (mean temperature exceedance value and the share of area exposed under a 2.5-meter sea level rise scenario). This machine learning–based method allows for estimating not only the average effect on the dependent variable but also nonlinear and heterogeneous effects across different quantiles of the distribution. The findings indicate that risk zones associated with sea level rise and environmental factors produce significant and heterogeneous effects on the Istanbul housing market. The results provide important policy implications for climate adaptation strategies, sustainable urban planning, and economic risk assessment processes. This study was supported by the Marmara University Scientific Research Projects Coordination Unit under the project numbered SBA-2025-11683.

Keywords: Sea Level Rise Risk, Climate Change, Housing Prices, XGBoost-Quantile.

JEL Codes: C21, Q51, R30.

THE RELATIONSHIP BETWEEN RENEWABLE ENERGY CONSUMPTION, UNEMPLOYMENT, AND INFLATION IN GREECE

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ABSTRACT

In recent years, growing global concerns about climate change, environmental degradation, and the depletion of fossil fuel resources have prompted countries to shift their focus to renewable energy sources. During this process, investments in renewable energy have gained importance not only in terms of environmental sustainability but also in terms of macroeconomic indicators such as economic growth, employment, and price stability. Green transition policies, particularly those implemented in Europe, have made the impact of the energy sector on the economic structure more visible. Greece, a member of the European Union, is prioritizing renewable energy policies to reduce energy dependence, lower carbon emissions, and support sustainable growth. Energy investments have become a key policy tool during the country's economic recovery, particularly after the 2008 crisis. This study investigates the relationship between energy consumption, unemployment, and inflation in Greece. For this purpose, annual time series data from 1981 to 2024 are examined using econometric methods based on the Fourier approximation, which accounts for both sharp and smooth structural breaks. The Fourier ADF unit root test results show that all three variables become stationary after first differencing, indicating the presence of a unit root at the level. Findings from the Fourier ADL cointegration test reveal that macroeconomic indicators influence renewable energy. Accordingly, a one-unit increase in renewable energy consumption increases the unemployment rate by 0.28 units, while a one-unit increase in inflation decreases the unemployment rate by 0.37 units; meanwhile, a one-unit increase in renewable energy consumption decreases inflation by 0.83 units, while a one-unit increase in the unemployment rate decreases inflation by 0.35 units. On the other hand, inflation and unemployment are found to have no statistically significant impact on renewable energy consumption. In conclusion, increased investment in renewable energy leads to higher unemployment while contributing to lower inflation. Therefore, it is important for policymakers to support the green transition with active labor market policies and reskilling programs to minimize job losses.

Keywords: Renewable Energy, Unemployment, Inflation, Greece.

JEL Codes: E24, E31, Q43.

ANALYSIS OF THE BIST LIQUID BANK INDEX USING CAMELS AND MULTI-CRITERIA DECISION-MAKING TECHNIQUES

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ABSTRACT

The BIST Liquid Bank Index is a key indicator for financial markets as it represents banks with high trading volumes and those actively traded in the market within the banking sector. The banking sector's decisive influence on economic growth, financial stability, and market trends increases the importance of this index. Highly liquid bank shares attract significant interest from both domestic and foreign investors and are used as an important indicator in assessing risk perception in the markets. In this context, the BIST Liquid Bank Index serves as an important indicator for both evaluating the performance of the banking sector and examining general market trends. The main objective of this study is to compare the financial performance of the 6 banks included in the BIST Liquid Bank Index. While criteria are weighted by using SITDE (Skewness impact through distributional evaluation) method that aims to increase the reliability and validity of the decision-making process by systematically adjusting the criteria weights according to their skewness, alternatives are ranked via MUNRA (Multiple normalization rating analysis) method which integrate the linear, vector, and non-linear normalization to improve robustness, reduce rank reversal, and enhance decision accuracy. According to the results while non-performing loan receivables/total loan receivables was obtained as the most important criterion, non-performing loan receivables/total receivables was found as the least important one. With respect to the banks Garanti was ranked as the first alternative. On the contrary, Yapı Kredi was acquired as the least one. Additionally, sensitivity, comparison, and rank reversal analyses are performed in order to confirm the validity, reliability, and robustness of the proposed approach.

Keywords: Financial Performance, CAMELS, Multi-Criteria Decision-Making, SITDE, MUNRA.

JEL Codes: C44, D53, G21.

BEYOND COMMAND AND CONTROL: HOW CLARITY AND FEEDBACK SHAPE OPERATIONAL EFFICIENCY- EVIDENCE FROM ALBANIAN MANAGERS

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ABSTRACT

Situated in the Albanian managerial context, this study examines how distinct delegation practices are associated with organisations' ability to meet operational deadlines. Timeline-driven operational efficiency refers to an organisation's ability to complete tasks and processes within established deadlines. The study is set in Albania, a high power-distance and post-communist context where centralised authority and personalised coordination remain important features of managerial practice.

The main aim is to move beyond the general advice to "delegate more" by analysing delegation as a set of distinct practices. Specifically, the study focuses on three delegation mechanisms: task clarity, authority and support and continuous feedback. The theoretical framework treats delegation as a multidimensional managerial practice and draws on goal-setting theory, job-characteristics theory, contingency theory, empowerment perspectives, and time-based competition theory.

The research uses an exploratory, cross-sectional correlational design. Survey data were collected from 109 managers, with 107 complete responses included in the final analysis. Respondents came from services, finance and banking, manufacturing, technology and other sectors. Each variable was measured using a single five-point Likert-scale item adapted from validated delegation scales. Therefore, the analysis relies on descriptive statistics, Pearson correlations, and standardised OLS regression with bootstrap-based inference.

The findings show that the timeline-related value of delegation is mainly linked to structured guidance. Task clarity is the strongest unique predictor of timeline efficiency and continuous feedback also shows a strong positive association. In contrast, authority and support does not show a unique significant association once task clarity and feedback are controlled. The study concludes that operational efficiency in the Albanian managerial context depends more on clear goals and regular progress alignment than on autonomy alone.

Keywords: Delegation, Task Clarity, Continuous Feedback, Time-Based Performance, High Power-Distance, Albania.

JEL Codes: M54, M11, D23.

ENDOGENOUS BENCHMARKS AND REVENUE DRAG IN REAL ESTATE TRANSFER TAX ENFORCEMENT

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ABSTRACT

Transfer-tax evasion in real estate markets typically operates through under-declaration of the deed price, and tax authorities increasingly rely on listing-price benchmarks to constrain this behavior. This paper models a seller who chooses both the listing price and the declared deed price subject to a tax-enforcement benchmark that requires the declaration to meet a fixed fraction of the listing price. Because the listing price is the seller's own choice variable, a tighter benchmark raises the marginal cost of listing and induces the seller to post a lower price, which simultaneously compresses the transaction price and the probability of trade. We characterize the equilibrium in closed form and establish a revenue paradox: expected transfer-tax revenue is hump-shaped in enforcement intensity, so tightening the benchmark beyond a critical threshold reduces revenue. A Monte Carlo sensitivity analysis across 7,826 valid parameter draws confirms that this revenue drag is robust across the full admissible parameter space and is monotone in all comparative-static directions. The paradox disappears under exogenous appraisal-based benchmarks, where sellers cannot manipulate the benchmark variable, establishing a clear policy implication in favor of independent appraisal architectures.

Keywords: Transfer Tax, Listing Price, Tax Evasion, Enforcement Design, Revenue Paradox, Public Economics.

JEL Codes:

PRIVATE INFORMATION AND TRADING HOURS: THE NATURAL EXPERIMENT FROM HONG KONG

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ABSTRACT

This study exploits the Hong Kong Stock Exchange (HKEx) trading hour extensions in 2011 as a quasi-natural experiment to study its impact. Using HKTAQ data for 1,867 common stocks, we show that the probability of informed trading (PIN) increases significantly by approximately 0.69 percentage points post-extension, indicating greater impoundment of private information and enhanced price informativeness. Contrary to HKEx's stated goal of improving overlap with mainland China's A-share markets, the effect is uniform across all stocks and not stronger for dual-listed AH shares. Heterogeneity analysis reveals that the PIN increase is most pronounced in thinly traded stocks. These findings robustly support French and Roll's (1986) hypothesis that private information is revealed only through trading, demonstrating that extended hours improve market efficiency—particularly where informational frictions are highest—without relying on increased public news flow or cross-market overlap.

Keywords: Probability of Informed Trading (PIN), Market Microstructure, Trading Hours Extension, Price Informativeness.

JEL Codes:

FINANCIAL LITERACY AS A MULTIDIMENSIONAL CONSTRUCT: CORE AND DIGITAL DIMENSIONS FOR GLOBAL CITIZENSHIP

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ABSTRACT

This chapter argues that financial literacy is best understood as a multidimensional construct. Using OECD/INFE survey data from 27 countries, it distinguishes between core financial literacy, measured through the classical questions on inflation, simple interest, compound interest, and risk diversification, and digital financial literacy, measured through knowledge of digital contracts, personal data use, and crypto-assets. The findings show that the two dimensions are positively related but analytically distinct, with different country patterns and social gradients. The chapter argues that this multidimensional perspective offers a stronger basis for adult education and global citizenship in increasingly digitized societies.

Keywords: Financial Literacy, Digital Financial Literacy, Adult Education, Global Citizenship, OECD/INFE.

JEL Codes: A20, D14, G53.

GERMAN INDUSTRIAL POLICY UNDER SYSTEMIC COMPETITION: THE RETURN OF THE STRATEGIC STATE

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ABSTRACT

Recent years have witnessed a marked reorientation in German industrial policy, driven by successive shocks and broader global shifts, particularly geo-economic fragmentation and intensifying international competition. These developments have exposed vulnerabilities in the German productive base and intensified concerns about productive erosion and the potential relocation of industrial activity, reflected in persistently high energy costs, structural pressures on production and growing divergences in sectoral performance. Against this backdrop, the paper examines the mechanisms that have weakened Germany's industrial position and discusses the resilience of key segments alongside the vulnerability of energy-intensive industries and small and medium-sized enterprises, drawing on a comparison with other European economies. Methodologically, the analysis combines a sector-sensitive assessment of industrial pressures with a structured review of recent policy shifts, focusing on energy intensity, production constraints and the evolving role of supply-chain and dependency risks in industrial performance. The federal government's response to these pressures signals a shift in the rationale for public intervention from a predominantly rules-based framework focused on market coordination and competitive neutrality to an economic security rationale that legitimises more active strategic state instruments. This orientation is reflected in measures aimed at diversifying energy supplies, critical input sources and export markets, accelerating the energy transition, modernising infrastructure, supporting innovation in transformative technologies and reducing critical dependencies. The paper also situates these responses within the broader framework of European industrial policy, which shapes both feasibility and the available policy space. The analysis concludes that this reconfiguration of German industrial policy should be understood not merely as a reaction to crises, but as a strategic adaptation to an era of systemic competition, with implications for the future of the German industrial model and for the European Union's economic resilience.

Keywords: German Industrial Policy, Systemic Competition, Economic Security, Industrial Competitiveness, Strategic State.

JEL Codes: L52, O25, F52.

LEADERSHIP DURING MERGERS AND ACQUISITIONS

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ABSTRACT

Leadership is widely acknowledged as important in mergers and acquisitions, yet literature still treats it more as a background condition than as a clearly specified mechanism explaining why some integrations build commitment and coordination while others generate distrust, delay, and value erosion. This gap matters because post-merger integration is not only a structural exercise; it is a high-uncertainty social process in which early decisions about pace, governance, executive appointments, communication, and symbolic actions shape how employees interpret the new organization. This paper develops a phase-based conceptual framework of leadership during M&A by synthesizing classic change-leadership theory with M&A integration scholarship and practitioner evidence from merger cases. Methodologically, it adopts an integrative conceptual review, drawing on foundational change frameworks, merger-specific work on culture and trust, and case-based practitioner evidence. The central argument is that effective M&A leadership involves four linked functions performed differently across phases: establishing strategic meaning, designing credible integration architecture, signaling fairness and inclusion, and sustaining trust while protecting the base business. The paper argues that leadership choices are especially consequential when they communicate whether the deal is being run as a takeover, a merger of equals, or a selective “best-of-both” integration. It further proposes that transparent communication, role modeling, carefully designed co-leadership arrangements, and symbolic acts that reduce hierarchy can increase trust and readiness, while poorly sequenced leadership decisions amplify anxiety and slow execution. The contribution is twofold: it re-centers leadership as a multilevel explanatory mechanism in M&A research and offers testable propositions and practice implications for executives responsible for integration success.

Keywords: Mergers and Acquisitions, Post-Merger Integration, Leadership, Organizational Trust, Change Management.

JEL Codes: G34, M12, M14.

AI ADOPTION AND TRANSPARENCY IN FINANCIAL REPORTING

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ABSTRACT

This paper analyzes the critical impact of Artificial Intelligence (AI) adoption on financial reporting transparency, benchmarking contemporary international literature against the institutional reality of the Albanian market. Through a comprehensive comparative analysis, the study reveals a significant technological paradox. While advanced global literature increasingly warns of sophisticated transparency risks driven by autonomous and opaque algorithms, firms in Albania concurrently experience a more fundamental "illusion of transparency." In this emerging economy context, digital tools are primarily utilized to optimize routine and administrative tasks, completely lacking advanced AI auditing capabilities or robust oversight frameworks. Consequently, this research highlights the severe institutional and digital gaps that developing countries face when attempting to align with global financial governance standards. Ultimately, the paper provides a critical, highly timely, and dual perspective for finance scholars, corporate managers, and market regulators navigating digital transformation in developing financial ecosystems.

Keywords: Artificial Intelligence, Financial Reporting, Financial Transparency, Digital Illusion, Albania.

JEL Codes: M41, O33, D82 .

CORPORATE FINANCING GAP IN ROMANIA: STRUCTURAL CAUSES, ECONOMIC IMPLICATIONS, AND POLICY RESPONSES

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ABSTRACT

The current paper examines the financing deficit of Romanian enterprises using only official sources, primarily the National Bank of Romania, the National Institute of Statistics, the Ministry of Finance, the European Commission, OECD, Eurostat and EIB materials. The analysis is structured around five dimensions: the forms in which the financing deficit appears, its macroeconomic and microeconomic causes, its quantitative magnitude, the specific features of the Romanian economy that amplify it, and the policy remedies recommended in official documents. Methodologically, the report combines NBR loan stock statistics, NBR firm surveys, INS GDP data, European institutional evidence on financing constraints, and official ex-ante assessments of market gaps. Derived indicators such as the corporate credit-to-GDP ratio are calculated directly from those official series.

Methodologically, the paper adopts a mixed quantitative–qualitative approach based exclusively on official statistical and institutional sources. Financial and macroeconomic indicators are complemented by the analysis of surveys, policy documents and European benchmarks in order to assess the nature and extent of the financing deficit affecting Romanian enterprises.

The main findings are clear. Romania’s financing deficit is less a pure banking supply shortage and more a structural combination of weak firm capitalization, heavy reliance on internal funds and trade credit, shallow capital markets, uneven SME bankability, and a macro-fiscal environment that keeps the cost of capital elevated. Official NBR evidence shows that many firms do not use external finance at all, that undercapitalisation affects roughly one third of companies and implies a very large recapitalisation need, and that the cost of corporate borrowing in local currency remains significant. European Commission and EIB evidence confirms that Romanian firms rely far more on self-financing and far less on bank loans than the EU average, while official programme documents point to a substantial equity financing gap. The policy implication emerging from official sources is that Romania needs not only more credit, but better balance sheets, deeper capital markets, targeted guarantee schemes, stronger public financial instruments, higher fiscal predictability, and stronger entrepreneurial financial literacy.

Keywords: Financing Gap, Enterprise Financing, Financial Intermediation, Bank Credit, Capital Market.

JEL Codes: G21, G23, O16.

EXCHANGE RATE AND STOCK MARKET – A COMPREHENSIVE LITERATURE

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ABSTRACT

The dynamic nexus between foreign exchange fluctuations and domestic equity valuations constitutes a paramount puzzle in financial economics, particularly for emerging markets constrained by severe structural import dependencies. Elucidating this relationship is fundamentally critical to understanding how currency shocks systematically govern macroeconomic stability and aggregate capital allocation. Consequently, this study systematically investigates the transmission mechanisms of currency volatility—specifically the USD/TRY and EUR/TRY exchange rates—to the Turkish stock market, targeting the BIST All Shares Index during the highly anomalous 2022–2026 period. Theoretically anchored in competing macroeconomic paradigms, the research critically evaluates the Flow-Oriented model, which posits that exchange rate dynamics dictate equity pricing via trade competitiveness, against the Portfolio Balance framework, which asserts that equity capital flows intrinsically drive currency demand. While extant scholarship extensively charts this interplay throughout historical crises, a critical literature gap persists regarding the 2022–2026 paradigm—an era defined by systemic structural realignment, persistent inflation, and aggressive orthodox monetary transitions. To address this empirical void, the study conducts a comprehensive thematic synthesis of the existing literature, reviewing established conceptual approaches to causality, asymmetric contagion, and directional impact without relying on primary econometric estimation, thereby mapping sector-specific vulnerabilities and regime-dependent behaviors. By arbitrating between conflicting theoretical evidence, this research clarifies dominant macro-financial transmission channels, exposing how volatility spillovers interact with institutional confidence. Ultimately, this systematic review delivers profound theoretical and practical implications for systemic risk management, cross-border portfolio optimization, and monetary policy calibration in inflation-prone economies navigating profound structural transformations.

Keywords: Literature Review, Stock Market, Exchange Rate, Emerging Economies.

JEL Codes: F31, C58, C32.

THE CAUSAL EFFECT OF EMPLOYMENT ON WOMEN'S BMI IN TÜRKİYE

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ABSTRACT

The effect of employment on health outcomes has long been investigated in the health economics literature. Employment may improve health outcomes by increasing income, access to health insurance, and exposure to safer working conditions, while also raising the return to healthy time. These mechanisms enhance individuals' capacity and incentives to invest in health, thereby contributing to higher levels of health capital. However, employment may also worsen health if it reduces the time available for health-producing activities or increases health depreciation through stress. Hence, employment acts as a protective factor as long as its health-improving effects outweigh its adverse effects. At the same time, health status may influence employment outcomes, making employment an endogenous variable in the health equation. This study examines the causal effect of employment on the Body Mass Index (BMI) of women in Türkiye using data from the 2018 Turkey Demographic and Health Survey (TDHS). To account for the potential endogeneity of employment, the BMI equation is estimated jointly with a probit model of employment, using location-specific employment indicators as instrumental variables. The results show that being employed significantly reduces BMI. This finding remains robust when women who migrated in 2018 are excluded from the analysis.

Keywords: BMI, Employment, Women, Türkiye.

JEL Codes: C35, C36, I12.

OVERCOMING FISCAL CONSTRAINTS THROUGH FORMAL EDUCATION: INSTITUTIONAL STRATEGIES, INTERNATIONAL SCHOLARSHIPS, AND SOCIAL WELFARE IMPROVEMENT IN BONDOWOSO REGENCY, INDONESIA

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ABSTRACT

Interregional development disparities in Indonesia are often rooted in low fiscal capacity and dependence on central government transfers, as seen in Bondowoso Regency. This situation creates a structural poverty trap where limited fiscal space hinders productive public investment, particularly in the education sector. This study aims to develop a policy model that connects fiscal constraints, institutional strategies, and aspiration transformation as a solution to improve human capital without burdening regional budgets. Using a Mixed-Methods Embedded Case Study design, this research integrates econometric analysis with an in-depth qualitative approach. Quantitative analysis using the Vector Autoregression (VAR) method was applied to examine the structural pattern of the relationship between education level and economic growth based on secondary data. Meanwhile, qualitative analysis through observation, semi-structured interviews, and data triangulation was conducted to explore informational and sociocultural barriers, such as low educational aspirations and norms of early marriage that hinder the improvement of human capital quality. Initial findings indicate that information interventions regarding access to international scholarships can significantly increase interest in education. Theoretically, this research offers a novel approach by positioning international scholarships not merely as an instrument for individual mobility but as an externally financed regional development policy that triggers spillover effects on local productivity and fiscal capacity. The findings are expected to offer a replicable policy model for regions with similar fiscal characteristics, as they attempt to escape the poverty trap through globally oriented education strategies with tangible local impact.

Keywords: Fiscal Capacity, Human Capital, International Scholarships, Transformation of Aspirations, Regional Development.

JEL Codes: J24, O10, R58.

BONUS ISSUE ANOMALY: SHORT AND LONG TERM PRICE EFFECTS IN BORSA ISTANBUL

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ABSTRACT

Bonus issues are technical corporate actions that, in theory, do not directly change a firm’s total market value or shareholders’ wealth. Nevertheless, especially in emerging markets, abnormal price movements may occur around bonus issue announcements, and this phenomenon is often discussed in the literature as a market anomaly. This study aims to examine the short and long-term price effects of bonus issue announcements on stock returns in Borsa Istanbul.

The study will analyze bonus issue announcements using the event study methodology. In the first stage, short-term market reactions around announcement dates will be evaluated through abnormal returns and cumulative abnormal returns. In the second stage, the study will investigate whether the price effects observed after the announcement persist in the long term. In this way, the study seeks to determine whether bonus issue announcements generate only a temporary short-term price reaction or indicate a more persistent return anomaly.

The study is expected to provide an up-to-date and comprehensive contribution to the literature on bonus issue announcements in Borsa Istanbul. By jointly considering short-term market reactions and long-term price adjustments, the study will offer a broader assessment of how investors price these announcements and whether their effects are persistent.

Keywords: Bonus Issue, Abnormal Return, Event Study, Price Anomaly, Borsa Istanbul.

JEL Codes: G14, G32, G41.

THE DUAL ECONOMIC IMPACT OF MAFIA-TYPE ORGANIZATIONS IN ITALY: EVIDENCE FROM 106 PROVINCES

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ABSTRACT

This study investigates the forecasting performance of integrating the popular technical indicator, the moving average convergence divergence (MACD), with machine learning techniques to predict the directional movements of four major ASEAN stock indices: FBM KLCI (Malaysia), FTSE STI (Singapore), SET Index (Thailand) and IDX Composite (Indonesia). Using daily prices from 2021 to 2026, we employ random forest, decision tree, logistic regression and naïve bayes to enhance MACD-derived signals. Our findings suggest moderate forecasting performance, with accuracy levels ranging between 50% and 60%. This result is likely driven by the combined effects of increasingly efficient markets, shifting market phases, uncertain economic and geopolitical conditions, and the inherent challenges faced by MACD and machine learning techniques in forecasting complex market behaviour. These findings indicate the need for a more sophisticated hybrid fractal mechanical trading system and comprehensive performance measures capable of capturing a broader spectrum of risk–return trade-offs.

Keywords: Technical Analysis, Machine Learning, Market Efficiency, ASEAN Indices.

JEL Codes:

BEYOND DIVERSIFICATION: DO SHARIAH AND ESG FILTERS MATTER IN MALAYSIAN PORTFOLIOS?

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ABSTRACT

Maqasid al-Shariah, the ethical foundation of Islamic finance, shares strong similarities with environmental, social and governance (ESG) principles. This study develops ESG-integrated portfolios comprising Shariah-compliant and conventional stocks across high and low ESG categories using a three-dimensional framework of

return, risk and ESG optimized through convex quadratic programming (CQP) and benchmarked against a naïve 1/N strategy. Using weekly equity prices of 40 Malaysian listed companies from 1 st January 2016 to 31 st December 2024, the results show that optimized portfolios generally achieve higher returns and lower volatility,

although these are mostly statistically insignificant. Conventional high-ESG portfolios frequently outperform Shariah-compliant portfolios, particularly under optimized strategies. Overall, the findings highlight the trade-offs between ethical and conventional investing, suggesting that while Shariah-compliant portfolios remain sustainable and financially viable, they may involve modest return sacrifices relative to conventional ESG portfolios.

Keywords: Shariah-compliance, ESG, Portfolio Optimization, Bursa Malaysia.

JEL Codes:

FROM CONFLICT TO COMPLEXITY: BRICS MARKETS DURNG THE RUSSIA–UKRAINE WAR

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ABSTRACT

The Russia–Ukraine conflict has generated far-reaching repercussions extending beyond the directly affected nations, exerting substantial influence on global financial and economic systems. This study investigates the extent to which the war has affected the informational efficiency of BRICS equity markets by employing the Multifractal Detrended Fluctuation Analysis (MF-DFA) framework to measure and rank market efficiency. While the existing literature is largely concentrated on the developed markets, investigations of major emerging economies remain comparatively limited. Using data ending October 2022, we find that the conflict significantly weakened market efficiency across BRICS markets and led to notable shifts in their relative efficiency rankings, with Russia's MOEX Index exhibiting the greatest deterioration. The results provide valuable insights for investors, policymakers and international institutions seeking to formulate effective strategies in an increasingly uncertain geopolitical environment.

Keywords: Russia–Ukraine War, Market Efficiency, MF-DFA, BRICS Stock Markets.

JEL Codes:

FOREIGN DIRECT INVESTMENTS IN THE FOOD INDUSTRY IN TÜRKİYE

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ABSTRACT

This study examines foreign direct investments (FDI) in the Turkish food industry and evaluates their role in the development of the sector. The food industry is one of the most important branches of manufacturing in Türkiye due to its strong connection with agriculture, its contribution to employment, and its growing share in foreign trade. The study first analyzes the structure of the food sector, its historical development, and its significance within the Turkish economy. It then investigates the sector's foreign trade performance, highlighting export and import trends as well as the main trading partners.

The main focus of the study is the increasing presence of foreign investors in the Turkish food industry. Since the economic liberalization policies implemented after 1980, foreign capital inflows have expanded significantly, particularly through mergers, acquisitions, and strategic partnerships. Using historical data and case examples, the study demonstrates that multinational corporations have become major actors in various subsectors, including dairy products, beverages, edible oils, and processed foods. The analysis also presents examples of domestic firms acquired by foreign investors between 2015 and 2021 and discusses the implications of these investments for market structure and competition.

The findings suggest that foreign direct investments have contributed to the modernization, internationalization, and growth of the Turkish food industry. However, the increasing dominance of foreign-owned companies also raises concerns regarding market concentration and the future competitiveness of domestic firms. The study concludes that while foreign investments provide significant economic benefits, policies supporting local enterprises remain essential for maintaining a balanced and sustainable sectoral development.

Keywords: Foreign Direct Investment, Food Industry, Türkiye, Foreign Capital, Economic Development .

JEL Codes: F21, L66, O14.

THE PREVALENCE OF PSYCHOLOGICAL DISTRESS TO EMPLOYEES IN TÜRKIYE

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ABSTRACT

Psychological distress is all employees and remains largely untreated. Also that is losses in employee productivity in absenteeism. Identified to potential work-related risk factors is playing an important role to determining to path map of prevention studies to both employees and employers. In this study data was collected with cross section study in Turkey via online with web-based form. In study 470 employees (48.70% male; mean age 32.17-years ± SD 10.59-years) responded to the SCL-90-R which contained a nine measure of psychological distress. Global Severity Index (GSI), T-score using nonpatient norm, greater than or equal to a of 63 or if any two primary dimension T-score are greater than or equal to a 63 then the individual was considered at high risk for a psychiatric diagnosis. According to the results, 11.5% of the employees (n = 54) according to the Global Severity Index, 10.6% (n = 50) according to the Somatization sub-dimension, 10.9% (n = 51) according to the Obsessive-Compulsive sub-dimension, 10.6% (n = 50) according to the Interpersonal Sensitivity sub-dimension, 12.8% (n = 60) according to the Depression sub-dimension, and 12.8% (n = 60) according to the Depression sub-dimension. 11.7% (n = 55) according to the Hostility sub-dimension, 13.6% (n = 64) according to the Hostility sub-dimension, 14.3% (n = 67) according to the Phobic Anxiety sub-dimension, 14.0% (n = 66) according to the Paranoid Ideation sub-dimension and 13.4% (n = 63) according to the Psychoticism sub-dimension were evaluated as high risk for psychiatric diagnosis. As a whole, 32.3% of the employees (n = 152) were in this group. High psychological distress is largely untreated at employee. These risk factors will guide to identify the targeting of mental health prevention programs.

Keywords: Employee, Mental Health, Psychiatric Diagnosis.

JEL Codes: I1, I12, I18.

SELF-REWARD BEHAVIOR IN CONSUMPTION: A MULTIDIMENSIONAL REVIEW OF HEDONIC AND COMPENSATORY CONSUMPTION

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ABSTRACT

This study examines self-reward behavior from a multidimensional perspective by integrating insights from hedonic and compensatory consumption literature. As consumption increasingly functions as a tool for emotional regulation and self-expression, self-reward behavior has emerged as a key concept in understanding contemporary consumer behavior. Grounded in self-regulation theory, self-reward is conceptualized as a self-administered reinforcement mechanism through which individuals reward themselves upon achieving self-defined standards. Drawing on a qualitative literature review, this study synthesizes interdisciplinary perspectives from consumer behavior, psychology, and marketing to explore the dual nature of self-reward behavior. The findings reveal that self-reward operates both as a pleasure-oriented mechanism associated with hedonic consumption and as a coping-oriented mechanism aligned with compensatory consumption processes. This dual structure highlights the role of emotional states, psychological needs, and contextual factors in shaping consumption decisions, while mechanisms such as self-licensing and perceived deservingness play a central role in legitimizing indulgent behaviors.

Despite its theoretical richness, the literature on self-reward behavior remains fragmented and limited in empirical scope. Existing studies often rely on cross-sectional designs and Western samples, which restrict the generalizability of findings and hinder the development of a unified theoretical framework. Moreover, inconsistencies in empirical results suggest that the effectiveness of self-reward behavior varies depending on situational and individual factors. The study also draws attention to ethical concerns related to the use of self-reward appeals in marketing practices, particularly when targeting emotionally vulnerable consumers. By offering an integrated conceptual perspective, this research contributes to the literature by clarifying conceptual boundaries and identifying key research gaps. It emphasizes the need for future studies to adopt more interdisciplinary, longitudinal, and culturally diverse approaches, as well as experimental and neuroscience-based methods, to better understand the mechanisms and long-term implications of self-reward behavior.

Keywords: Self-Reward Behavior, Hedonic Consumption, Compensatory Consumption, Consumer Behavior, Emotional Regulation.

JEL Codes: M31, D91, D12.

AN ASSESSMENT OF SOLAR ENERGY INSTALLED CAPACITY IN CHINA FROM THE PERSPECTIVE OF REGIONAL TOTAL FACTOR PRODUCTIVITY

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ABSTRACT

Reducing dependence on fossil fuel sources and increasing the amount of energy derived from renewable energy sources, particularly solar and wind, is of paramount importance in combating climate change. As of 2024, China, the United States, India, the European Union, Russia, and Indonesia stand as the world's largest greenhouse gas emitters. China alone accounts for approximately half of the world's total renewable energy capacity. The share of renewable energy sources in China's electricity generation capacity has risen to approximately 60%, of which 48% is attributable to solar and wind power plants. In 2025, photovoltaic solar energy investments in China reached 317 GW, making it the sector with the largest increase in installed capacity. China's solar energy investments are concentrated primarily in Xinjiang, followed by Ningxia, Gansu, Qinghai, Shandong, and Jiangsu provinces.

The primary objective of this study is to examine the asymmetric effect of solar power plant installed capacity on regional total factor productivity (TFP) and to identify which regions achieve greater productivity gains. To this end, the study employs an annual panel dataset covering 30 Chinese provinces over the period 2010–2023.. Given that conventional TFP measurement is known to overestimate true productivity by disregarding energy and environmental factors, this study adopts the Green Malmquist-Luenberger (GML) index, which incorporates CO_2 emissions as an undesirable output. At the provincial level, the primary explanatory variables include solar energy installed capacity (GW) and full-load utilization hours, while control variables encompass per capita GDP, fixed capital investment, energy intensity, transmission line capacity, and curtailment rates. Data are compiled from the National Energy Administration of China (NEA), the China Electric Power Yearbook (CEPY), the China Statistical Yearbook (NBS), and the CEADs carbon emission database.

A fixed-effects panel data model and threshold regression analysis are applied jointly to test for regional asymmetry. The findings are expected to provide evidence on the effectiveness of China's renewable energy policies, while also demonstrating that increases in installed capacity alone are insufficient and that simultaneous development of transmission infrastructure and market mechanisms is imperative.

Keywords: Total Factor Productivity, Solar Energy, Panel Data, Regional Asymmetry, DEA-Malmquist, China.

JEL Codes: Q42, Q43, O47.

ECONOMIC IMPACT OF AGRICULTURAL AND RURAL POLICIES: LUSHNJË CASE STUDY

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ABSTRACT

This paper aims to assess the impact of policies on rural and agricultural data, such as yield, area used for agricultural purposes, and production between 1998 and 2024 in Albania. The analysis is focused on three agricultural production categories: perennial fruit crops, vegetable crops and arable crops. Pearson's r coefficient, Kendall's tau-b, Spearman's rho, chi test, Phi coefficient were used to analyse the factor relationships. A quantitative analysis was carried out in the form of a survey on 200 farmers in the Lushnjë municipality and used for regression analysis, comparative and descriptive statistics. The qualitative analysis was centred around the literature that has been published on the topic of public, agricultural and rural policies. Conclusions derived from qualitative data were used to interpret policy effectiveness.

Keywords: Agricultural Policies, Rural Development, Climate Change, Subsidies, Gender Equality in Agriculture, Land Fragmentation.

JEL Codes:

BALANCING PUBLIC HEALTH AND ENVIRONMENTAL SUSTAINABILITY: THE ROLES OF BIOCAPACITY AND RENEWABLE ENERGY IN G20 ECONOMIES

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ABSTRACT

This study aims to examine the long-term relationships between ecological footprint, government health expenditures, biocapacity, renewable energy consumption, and per capita real income in G20 economies from 2000 to 2022. In the analysis, to account for possible cross-sectional dependence in the panel data structure, CIPS and CADF unit root tests and the Westerlund cointegration test will be applied. The long-term coefficients will be estimated using the Pooled Mean Group and Mean Group estimators within the panel ARDL approach. The theoretical framework of the research is based on that health expenditures can increase lifespan and consumption levels, thereby raising environmental pressures. In contrast, it is expected that biocapacity will play a role in reducing environmental pressures and balancing the potential negative effects of health expenditures by representing the renewal capacity of natural resources. Additionally, it is predicted that the consumption of renewable energy will reduce the ecological footprint by replacing the use of fossil fuels. It is assumed that the relationship between economic growth and environmental degradation will exhibit a non-linear structure in accordance with the Environmental Kuznets Curve hypothesis, occurring in an inverted U-shape. We believe that the findings will contribute to the design of health and environmental policies with a holistic approach, particularly in economies experiencing a biocapacity deficit, and provide guiding recommendations to policymakers in line with sustainable development goals.

Keywords: Ecological Footprint, Health Expenditures, Renewable Energy, Panel ARDL..

JEL Codes:

THE IMPACT OF NATURAL RESOURCE RENTS ON HUMAN CAPITAL: THE MODERATING ROLE OF FINANCIAL DEEPENING IN EMERGING ECONOMIES

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ABSTRACT

This study examines whether financial deepening moderates the relationship between natural resource rents and human capital accumulation in emerging economies. The study is grounded in the resource curse literature, which argues that resource-rich economies may experience adverse developmental outcomes despite abundant natural wealth. While financial development is generally expected to enhance investment efficiency and support human capital formation, its role in resource-dependent economies remains ambiguous.

Using a balanced macro-panel dataset of 15 emerging economies covering the period 2002–2021, the study employs a fixed-effects estimation framework with Driscoll–Kraay standard errors to address cross-sectional dependence and heteroskedasticity. Human capital, measured by the Human Capital Index, serves as the dependent variable. Natural resource rents are included as the main explanatory variable, while broad money as a percentage of GDP is used as a proxy for financial deepening. The model further controls for foreign direct investment, trade openness, inflation, and institutional quality.

The empirical findings indicate that natural resource rents alone exhibit a positive but statistically weak association with human capital accumulation. However, the interaction term between natural resource rents and financial deepening is negative and statistically significant, suggesting that higher levels of financial depth strengthen the adverse effect of resource rents on human capital. Marginal effects analysis further reveals that the impact of resource rents becomes increasingly negative as financial deepening expands. In addition, trade openness and institutional quality display negative coefficients, suggesting that the relationship between these variables and human capital is more complex than predicted by conventional theory.

Robustness checks based on one-period lagged explanatory variables confirm the stability of the results. Overall, the findings suggest that financial deepening does not necessarily mitigate the challenges associated with resource dependence and may weaken the contribution of resource rents to human capital formation unless supported by effective institutional frameworks and appropriate policy measures.

Keywords: Natural Resource Rents, Human Capital, Financial Deepening, Resource Curse, Emerging Economies.

JEL Codes: O15, O16, Q33.

INFORMATION AND COMMUNICATIONS TECHNOLOGY AND ITS EFFECTIVE ROLE IN DEVELOPING THE WORK PERFORMANCE

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ABSTRACT

Due to the rapid developments in the world of technology and the impact of globalization on the rapid transfer of information, the banking sector has been greatly affected by this development. Therefore, banks have witnessed a shift towards providing electronic banking services. The aim of the study is to demonstrate the role of information and communication technology in developing the performance of Iraqi government banking in Anbar. The study relied on the descriptive-analytical approach, as one of the scientific research methods used in writing scientific research. Furthermore, the quantitative statistical method was employed to reveal the relationship between information and communication technology and the performance of the Iraqi government banking in Anbar. The study population included Rafidain and Rashid Bank in (Ramadi, Fallujah, Anah, Rutba, Trebil, Arar) and the study samples were taken from (managers, assistant managers, division managers, information and communication technology employees IT). The conclusion indicates that there is an application of the information technology dimensions by bank departments, but without the required ambition, and that one of the results of the study is the existence of a statistically significant role ($a \leq 0.05$) between information and communication technology and the performance developing of Iraqi government banking in Anbar. The adoption of modern technological systems in banking is one of the most important recommendations of this study.

Keywords: Technology, ICT, Information, Banks, Banking Performance.

JEL Codes: O33, G21, L86, M15.

WHEN DIVERSITY IS NOT ENOUGH: BOARD STRUCTURE AND ESG PERFORMANCE IN BORSA ISTANBUL

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ABSTRACT

This study tests whether board gender diversity (BGD) translates into improved ESG performance in Borsa İstanbul listed companies, and more importantly, under what governance conditions this translation occurs. Recent evidence from BIST100 firms reports a positive BGD–ESG link. This study challenges the generalizability of that finding by extending the analysis to a broader and more heterogeneous market cross-section, positioning itself as a boundary condition analysis rather than a confirmatory one.

Drawing on governance complementarity theory, agency theory, and critical mass theory, we argue that BGD is a necessary but insufficient condition for ESG improvement. Structural governance mechanisms — specifically the presence of a sustainability committee and active board engagement — determine whether gender diversity generates ESG value. We apply fixed-effects panel regression to 321 firm-year observations from 109 non-financial BIST Tüm companies over 2022–2024. Robust standard errors address heteroscedasticity. Year fixed effects control for macroeconomic shocks. BGD is measured through both a composite Board Diversity Index and three binary threshold variables derived from critical mass theory. We additionally test the roles of board meeting frequency, financial performance (ROA), and foreign board membership.

Results show that BGD does not independently predict ESG performance across any model specification — a finding that contrasts with prior BIST100 evidence and suggests that the BGD–ESG relationship does not hold uniformly across the broader market. The sustainability committee is the sole robust predictor of ESG scores, significant at the one percent level in all models, with a marginal effect of approximately 12 to 14 ESG score points. Female board representation at the first and third critical mass thresholds reaches significance at the five percent level when board meeting frequency is included as a control variable, indicating that active board engagement is a prerequisite for gender diversity to generate ESG value. Financial performance (ROA) and foreign board membership yield no significant effect.

These findings carry direct policy implications. Gender diversity mandates operating under comply-or-explain frameworks are unlikely to produce measurable ESG outcomes without complementary governance infrastructure. For regulators and institutional investors in emerging markets, sustainability committee requirements and board engagement standards should accompany — and arguably precede — diversity quotas to generate real ESG impact.

Keywords: Board Gender Diversity, ESG Performance, Critical Mass Theory, Corporate Governance, BIST.

JEL Codes: G34, M14, Q56.

DO INVESTMENT INCENTİVES PROMOTE REGİONAL EMPLOYMENT İN TÜRKİYE? EVİDENCE FROM 2001-2020

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ABSTRACT

Investment incentives are widely used by governments to support regional employment and capital formation. This study investigates the province-level relationship between investment incentive activity, fixed capital investment, and program-linked employment in Türkiye's 81 provinces from 2001 to 2020. The data were obtained from the General Directorate of Incentive Practices and Foreign Capital. The Common Correlated Effects Mean Group (CCEMG) and Augmented Mean Group (AMG) estimators are employed to address provincial heterogeneity, common national shocks, cross-sectional dependence, and heterogeneous slope responses. The empirical findings reveal that both the number of investment incentive certificates and realized fixed capital investment are positively and significantly associated with program-linked employment. A 1 percent increase in the number of investment incentive certificates is associated with a 0.69-0.79 percent increase in program-linked employment, while a 1 percent increase in fixed capital investment is associated with an approximately 0.3 percent increase in program-linked employment. The elasticity estimates, which are robust to cross-sectional dependence and slope heterogeneity, suggest that investment incentives have had a positive impact on regional program-linked employment in Türkiye over the past two decades.

Keywords: Investment Incentives, Regional Employment, Heterogeneous Panel Estimators.

JEL Codes: E22, R11, C23.

THE IMPACT OF FINANCIAL INCLUSION AND DIGITAL FINANCE ON AGRICULTURAL PRODUCTIVITY IN ALBANIA

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ABSTRACT

Agriculture remains a vital sector of the Albanian economy, contributing significantly to employment, rural livelihoods, and food security. However, limited access to financial services continues to constrain farmers' ability to invest in productive technologies, modern inputs, and risk-management tools. In recent years, the expansion of digital financial services, including mobile banking, electronic payments, and digital lending platforms, has created new opportunities to enhance financial inclusion among rural populations. This study examines the impact of financial inclusion and digital finance on agricultural productivity in Albania. Specifically, it investigates how access to formal financial services and the adoption of digital financial technologies influence farmers' production efficiency, investment decisions, and overall farm performance. Using survey data collected from Albanian farmers and employing quantitative techniques, the study analyzes the relationship between financial access, digital finance utilization, and key productivity indicators. The findings are expected to demonstrate that greater financial inclusion and the use of digital financial services positively affect agricultural productivity by facilitating access to credit, reducing transaction costs, improving financial management, and supporting investment in modern farming practices. Furthermore, the study highlights the role of digitalization in overcoming geographical and institutional barriers that have traditionally limited farmers' participation in the formal financial system.

Keywords: Financial Inclusion, Digital Finance, Agricultural Productivity, Financial Performance.

JEL Codes: G53, Q14, F63.

THE IMPACT OF THE GREEN ECONOMY ON THE SUSTAINABLE DEVELOPMENT OF THE EAEU COUNTRIES

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ABSTRACT

This research examines the impact of the green economy on sustainable development in the countries of the Eurasian Economic Union (EAEU). The main objective of the study is the impact of green economy indicators on human development and sustainable development. The study used theoretical and empirical methods.

The first section of the study examines the theoretical foundations of the green economy. This section explains the concept of the green economy, its main principles and its relationship with sustainable development. In addition, the experience of developed countries in the field of green economy is reviewed.

The second section analyzes the current state of the green economy and sustainable development indicators in the EAEU countries. The environmental policy, use of renewable energy, energy efficiency and green strategies of Kyrgyzstan, Kazakhstan, Russia, Belarus and Armenia are assessed.

The third section provides empirical analysis. The impact of the green economy on sustainable development is estimated using econometric methods using a panel data set for 2000–2022. The results of the analysis showed that increasing the use of renewable energy sources, increasing energy efficiency and improving environmental performance have a positive impact on sustainable development.

The results of the study showed that some indicators of the green economy have a positive and statistically significant impact on sustainable development. In particular, it was found that improving environmental conditions, developing social infrastructure and increasing living standards contribute to the growth of the human development index. It was also proven that strengthening the policy on the development of the green economy in the EAEU countries is an important factor in achieving sustainable development.

Keywords: Green Economy, Sustainable Development, Human Development Index, EAEU, Panel Regression, Driscoll–Kraay.

JEL Codes: C01, C23, I28.

DETERMINANTS OF CAPITAL STRUCTURE OF AGRICULTURAL FIRMS IN EMERGING MARKETS

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ABSTRACT

Agricultural firms play a significant role in economic development by ensuring food security, generating employment, and supporting sustainable growth. Despite their economic importance, these firms operate under unique financial conditions, including production uncertainty, seasonal cash flows, limited access to external finance, and high financing costs. These characteristics make capital structure decisions particularly important for agricultural firms, especially in emerging markets where financial constraints are more pronounced. Although the determinants of capital structure have been widely examined in the corporate finance literature, empirical evidence focusing specifically on agricultural firms in emerging markets remains limited.

This study aims to investigate the determinants of capital structure in agricultural firms operating in emerging markets. The research is based on capital structure theories and relevant corporate finance literature. Initially, a comprehensive literature review is conducted to establish the conceptual framework and identify the existing research gap. In the empirical stage, an appropriate dataset will be employed to examine the effects of firm-specific characteristics on capital structure decisions. The findings are expected to contribute to the agricultural finance literature and provide useful implications for researchers, managers, and policymakers interested in the financing decisions of agricultural firms.

Keywords: Agricultural Firms, Capital Structure, Agricultural Finance, Emerging Markets, Financial Sustainability.

JEL Codes: G32, Q14, M21.

AI-BASED DECISION SUPPORT SYSTEMS: LEADERSHIP STYLE, EFFECTIVENESS, AND ETHICAL DIMENSIONS

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ABSTRACT

This paper examines how AI-based decision support systems (AI-DSS) interact with organizational leadership styles to influence decision effectiveness and ethical outcomes. Objective: to assess the moderating role of leadership style (transformational, transactional, and servant leadership) on the relationship between AI-DSS use and decision quality, speed, and ethical compliance. Theoretical framework: grounded in socio-technical systems theory and leader–member exchange (LMX) theory, the study integrates perspectives on technology adoption, cognitive augmentation, and ethical decision-making to propose a model in which leadership style shapes AI-DSS acceptance, interpretation of algorithmic recommendations, and oversight behaviors. Methodology: a mixed-methods design combining an online survey of 320 mid- to senior-level managers across multiple industries and semi-structured interviews with 20 organizational leaders. Survey measures captured AI-DSS usage intensity, perceived decision quality and timeliness, ethical climate, and validated leadership style scales; structural equation modeling tested hypothesized relationships and moderation effects. Interview data were thematically analyzed to contextualize quantitative findings and surface mechanisms behind leadership–AI interactions. Findings: AI-DSS adoption is positively associated with perceived decision quality and speed but has ambiguous effects on ethical compliance absent strong governance. Transformational and servant leadership significantly strengthen the positive link between AI-DSS use and decision quality by fostering critical engagement with AI outputs and promoting ethical deliberation; transactional leadership increases speed gains but is linked to lower ethical oversight. Interviews reveal that leaders who emphasize collaboration and values encourage team-based validation of AI outputs, reducing overreliance on algorithms. Conclusions: leadership style critically conditions AI-DSS benefits and risks; organizations should pair AI deployment with leadership development and formal ethical governance to maximize decision effectiveness while mitigating ethical lapses. Implications for practice include targeted training for leaders and policies that institutionalize human oversight. Future research: longitudinal studies and field experiments to assess causal dynamics.

Keywords: AI Decision Support, Leadership Style, Decision Quality, Ethics.

JEL Codes: M12, L20, D83.