



RESEARCH PROJECTS

and

SELECTED PAPERS

DOKUZ EYLÜL UNIVERSITY

FACULTY OF BUSINESS

2006-2013

Turkish German Innovation Networks



Table of Content	Page
BRIEF OVERVIEW	
RESEARCH PROJECTS	
The Role of Cultural Factors in Regional Development: A Comparative Study on Cities of Aegean Region	
Consumer Demand for Organic Products in Turkey	
EUROPEAN COLLABORATIVE RESEARCH PROJECTS (ECRP)	
Constructing Regional Advantage: Towards State-of-the-art Regional Innovation System Policies in Europe?	
EUROCORES	
The European Road and Rail Infrastructure: A Geographical Information System for the History of the European Integration (1825-2010)	
Market Structure, Efficiency, Economies of Scale and Total Factor Productivity of Banking Sector of the EU Member States and Candidate Countries	
Testing the Purchasing Power Parity Hypothesis during the Enlargement Period of EU	
The Effects of Single Market Implementation in Financial Services on the Insurance Sector in EU Member States and Candidate Countries: Efficiency and Economies of Scale	
Food Labelling to Advance Better Education for Life (FLABEL)	
A Multilateral University Consortium to Strengthen Tourism Education, Research, and Industry Outreach	
The Determinants of Foreign Direct Investments Moving Different Directions and Different Performance Effects in Terms of Enterprises	
Knowledge Transfer in Turkish-German Innovation Networks in the Context of European Integration	
Bank Earnings Volatility, Bank Size, Market Concentration and Stability in the Turkish Banking Industry	
EU's Expanding Trade Policy Agenda Challenging EU-Turkey Customs Union (EUTRACU)	
Feasibility Study on Center of Excellence for Technical Textiles	
SELECTED PAPERS	
Geographic concentrations in Turkey's manufacturing industry: Identifying regional highpoint clusters. European Planning Studies	
Fisher hypothesis revisited: a fractional cointegration analysis. Emerging Markets Finance and Trade	

Cost and profit efficiencies in transition banking: the case of new EU members. Applied Economics

Income inequality and growth in the European Union: The effects of the latest and a possible further enlargement. Emerging Markets Finance and Trade

Regional specialization and industrial concentration patterns in Turkish manufacturing industry after trade liberalization

Democratization in Eastern Europe: A viable model for the Middle East?

Political parties matter: Explaining peaceful and violent state-islamist interactions in Algeria, Egypt, Indonesia and Turkey

Bölgesel kalkınmada kültürel faktörlerin rolü: Ege bölgesi illeri arasında karşılaştırmalı bir çalışma (The Role of Embedded Cultural Factors in Regional Development: A Comparative Study on Cities of Aegean Region)

15-19 Yaş grubundaki tüketiciler alışveriş merkezlerini nasıl algılıyor?: İzmir ilinde bir uygulama (How do consumers aged between 15 and 19 perceive shopping malls? A study in Izmir)

Foreign exchange reserves and exchange rates in Turkey: Structural breaks, unit roots and cointegration

The impact of futures trading on volatility of the underlying asset in the Turkish stock market.

Monetary policy convergence of potential EMU accession countries: A cointegration analysis with shifting regimes

Irak savaşı sonrasında liberal dünyanın yapay ikiliği (Pseudo split of the liberal world in the aftermath of the Iraqi war)

The prospect of Turkey's EU membership as represented in the British newspapers the Times and the Guardian, 2002-2005

The impact of De Jure and De Facto exchange rate regimes on lite volatility of macroeconomic variables

Public policies and development of the tourism industry in the Aegean region

The impact of sudden changes on the persistence of volatility: evidence from the BRIC countries

Dual long memory property in returns and volatility: Evidence from the CEE countries' stock markets

Cost efficiency and scale economies in the Turkish insurance industry

Long memory in stock returns: evidence from the major emerging Central European stock markets

Modern QFD-based requirements analysis for enterprise modelling: Enterprise-QFD

Communicating customer requirements to customer relationship management: An application of modern quality function deployment

Overcoming the double hurdles to investing in technology R&D activities of small firms in developing countries

The Importance of strategic stakeholder management in tourism sector: Research on probable

applications

An integrated decision support approach for project investors in risky and uncertain environments.
Journal of Computational and Applied Mathematics

Leader–member exchange and affective organizational commitment: The contribution of supervisor's organizational embodiment

Türkiye’de dış ticaretin ücretlere etkisi: İmalat sanayi için bir uygulama (The effect of international trade on wages in Turkey: An empirical analysis for the manufacturing industry)

Job satisfaction and organizational commitment of hotel managers in Turkey

THE HAJJ: Experience of Turkish Female Pilgrims

Consolidation and competition in the banking industries of the EU member and candidate countries.

Consolidation and commercial bank net interest margins: Evidence from the old and new European Union members and candidate countries

Testing the purchasing power parity hypothesis for the new member and candidate countries of the European Union: evidence from Lagrange multiplier unit root tests with structural breaks

Cyclical behavior of price-cost margins in the Turkish banking industry

Is global diversification rational? Evidence from emerging equity markets through mixed copula approach

Modelling R&D investment decision of ISE listed firms: A sample selection approach

Knowledge generation and innovativeness in Turkish textile industry: Comparison of Istanbul and Denizli

The effect of railway expansion on population in Turkey: 1856-2000

Estimating time-varying conditional correlations between economic growth and carbon dioxide emissions volume

Fear of unknown: A pre-departure qualitative study of Turkish international students

Testing profit and structure relationship in the European banking markets using efficiency measures, developing economies

Efficiency, productivity and stock performance: Evidence from the Turkish banking sector

The impact of interest rate and exchange rate volatility on banks' stock returns and volatility: Evidence from Turkey

Destination management and quality-of-life

Türk bankacılık sektöründe rekabetin imalat sanayi piyasa yapısı dinamikleri üzerindeki etkileri (Effects of competition in Turkish Banking sector on the market structure dynamics of the manufacturing industry)

Türk bankacılık sektörünün karlılığının dinamik yaklaşımla test edilmesi (Testing the profitability of Turkish banking industry with dynamic approach)

Setting the theoretical foundations of importing research: Past evaluation and future perspectives

An analysis of state-civil society relations in Finland: A case of Joensuu. *International Journal of Voluntary and Nonprofit Organizations*

CEO turnover and corporate performance relationship in pre- and post- IFRS period: Evidence from Turkey

The classification and importance of E-S-Qual quality attributes: An evaluation of online shoppers

Transportation infrastructure investment, growth and international trade

Relationships between the US and European stock markets during the recent financial turmoil: evidence from the VARFIMA model

A multi-criteria decision-making methodology on the selection of facility location: Fuzzy ANP

Pre-recovery and post-recovery emotions in the service context: a preliminary study. *Managing Service Quality*

Occupation as a personal project system: Application of the ontological well-being concept to workplace

Selecting franchise partners: Tourism franchisee approaches, processes and criteria

Research on the import activities of firms 1960 - 2010: Review, assessment, and future directions. *Management International Review*

The impact of corporate social responsibility in food industry in product-harm crises

The long-run relationship between the spot and futures markets under multiple regime-shifts: Evidence from Turkish derivatives exchange

The supervisor POS – LMX – subordinate POS chain: Moderation by reciprocation wariness and supervisor's organizational embodiment

The Turkish stock market integration with oil prices: Cointegration analysis with unknown regime shifts

The role of social value orientation in response to an unfair offer in the ultimatum game

Efficiency and risk in Latin American banking: Explaining resilience

The dynamic relationship between earnings volatility, concentration, stability and size in the Turkish banking sector

A special purpose multi-criteria heuristic function for a single machine scheduling problem with forward dynamic programming

Co-movements of REIT indices with structural changes before and during the subprime mortgage crisis

BRIEF OVERVIEW ABOUT FACULTY OF BUSINESS

Motivated by the need to offer high quality business education fully in English in Izmir and surrounding regions, the Faculty of Business at DEU was established in 1992. The Faculty provides curriculum in English to a total of 1755 students with five departments: Business Administration, Economics, International Relations, Tourism Management, and International Business and Trade.

Currently, there is a total of 100 highly qualified academic staff consisting of 15 Professors, 16 Associate Professors, 22 Assistant Professors, 8 Lecturers, 1 Academic Specialist and 38 Research Assistants. Almost of the academic staff are graduates of higher education institutions that offer degrees with curricula in English, both abroad and Turkey.

The staff consists of young and dynamic academics with a potential of higher than average international mobility, thus providing a competitive edge for innovativeness that is necessary to reach international standards. Coupled with their growing potential for publication, our staff takes part in a wide range of national and international research projects, won project awards and continues to be a point of pride for our Faculty.

The Faculty has a wide network of international contacts of student and faculty exchange agreements with 54 schools across Europe, United States of America (USA), China and South Korea. The aim is to educate highly motivated and capable graduates thriving in a globally competitive world. The Faculty is involved with international research activities and has a growing commitment to form international collaborations with research and educational institutions across the world.

Since its establishment, the Faculty followed an approach to hire service-oriented and dedicated administrative staff. The support personnel are among one of the main reasons for the success of the Faculty of Business. There are 26 classrooms, 4 seminar rooms with the capacity of 1,537 in total. In addition to that, 2 computer labs and 1 conference room with 355 seating capacity is in use in the Faculty building.

Address: Tinaztepe Campus 35390 – Buca IZMIR / TURKEY

Tel: +90 (232) 453 50 60 **Fax:** +90 (232) 453 50 62

E-mail: isletme@deu.edu.tr

Web Page: <http://isletme.deu.edu.tr/>

Facebook: <http://www.facebook.com/DEUBUSINESSFACULTY>

Twitter: @DEU_BUS_FACULTY

Youtube: <http://www.youtube.com/DEUFACULTYOFBUSINESS>



TÜBİTAK

2006/1

Project Title: The Role of Cultural Factors in Regional Development: A Comparative Study on Cities of Aegean Region.

Project Leader:

Ceyhan Aldemir, Professor, Faculty of Business, Department of Business Administration

Project Team:

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Funding: The Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project Number 106K209).

TÜBİTAK 1002 Short Term R&D Funding Program

Project Budget:

Project Description:

Studies on the impact of culture on economic output and economic behavior point out the significance of historical process through which the culture is shaped. Common view and findings of existing research is that the regions' cultural values significantly determine the regions' potential and alternatives.

The research is built on the assumption that culture that is shaped by historical patterns significantly affects regional development paths. The study aims to investigate the impact of cultural values in explaining the differences across provinces in close proximity. The cultural values aim to measure the attitudes of local economic actors on trust and cooperation as well as attitudes towards work.

The project covers eight NUTS 3 level provinces in Aegean region. Regional economic and physical development is compiled from secondary sources. The cultural values are compiled through in depth interviews with representative sample of regional economic actors and a survey questionnaire with business persons.

The findings reveal that Aegean region's cities have a homogenous pattern of culture. Along with economic dimensions, "internal locus of control" which is a significant dimension of work mentality is an important determinant of local economic development. Education, transportation and communication infrastructure are also significant in explaining differences across local economic development.



2006/2

Project Title: Consumer Demand for Organic Products in Turkey

Project Leader:

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Bülent Miran, Professor, Aegean University, Faculty of Agriculture, Department of Agricultural Economics

Canan Abay, Professor, Aegean University, Faculty of Agriculture, Department of Agricultural Economics

Funding: The Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 106K112).

European Cooperation in Science and Technology (COST) Action 924

Project Description:

The objective of the research is to explore whether Turkey's urban consumers are familiar with certified organic products, their perception regarding the quality and health risks due to pesticide use in fruits and vegetables and consumers' willingness to pay for reduced pesticide use. Data consist of face-to-face surveys of 711 representative sample of urban consumers selected from largest cities of the five most developed geographical regions in Turkey. In determining consumer preferences, Heckman selection model, tobit model and analytical hierarchy process methods are used. The results reveal that the consumers are sensitive to health risks due to pesticide use in fresh fruits and vegetables. The probability of consumers' hearing the concept of certified organic product is positively associated with age, education and sensitivity with respect to environmental and human health hazards due to pesticide residues in food. In calculating willingness to pay the consumers were asked to state their preferences with respect to certified organic apples and tomatoes and conventional apples and tomatoes. Price premium the consumers are willing to pay for certified organic tomatoes is %11. Consumers' willingness to pay to reduce the probability of health problems at any stage in lifetime due to pesticide residues by 100.000 in 1 million people is 2% for tomatoes and 5% for apples. Consumers' preferences for organic foods are determined largely by perceived health risks due to pesticide residues. Other important selection criterion for organic products is market revealed information on production process and food quality (cosmetic quality, nutritional value, hygiene and taste). The least important selection criteria in consumer's choice between organic and non organic alternatives are price.

Project Budget: 59.459,00 TL

Project Web Page:



2007/1

EUROPEAN COLLABORATIVE RESEARCH PROJECTS (ECRP)

Project Title: Constructing Regional Advantage: Towards State-of-the-art Regional Innovation System Policies in Europe?

Project Leader:

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Yeşim Kuştepelı, Professor, DEU Faculty of Business, Department of Economics

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 107K367).

TÜBİTAK 1011 The Support Program for Participation in International Scientific Research Projects

European Science Foundation Collaborative Research Project (ECRP)

International Consortia:

Project Leader

Bjørn T. Asheim, Professor, Lund University, Department of Social and Economic Geography, CIRCLE (Centre for Innovation Research and Competence in the Learning Economy), Lund, Sweden

Principal Investigators

Franz Tödting, Professor, Vienna University of Economics and Business, Institute of Regional Development and Environment, Vienna, Austria

Jiri Blazek, Professor, Charles University, Faculty of Science, Department of Social Geography and Regional Development, Prague, Czech Republic

Markku Sotarauta, Professor, University of Tampere, Department of Regional Studies, Tampere, Finland

Ron Boschma, Professor, University of Utrecht, Faculty of Geosciences, Department of Economic Geography, Utrecht, the Netherlands

Arne Isaksen, Professor, University of Adger, Faculty of Economics and Social Sciences, Department of Working Life and Innovation, Grimstad, Norway

Yaprak Gülcan, Professor, Dokuz Eylül University, Faculty of Business, Department of Economics, Izmir, Turkey

Project Description:

Globalization pressures force European regions to enhance their competitiveness. Regions are considered a key level where innovation processes are shaped, coordinated and governed through localized capabilities. Often competitive advantages do not emerge spontaneously, but are the results of collective actions and initiatives taken by firms, research organizations and governments at various levels.

Policies for constructing regional advantage cannot be based on one “best practice” model but should reflect the different conditions and problems of the respective regions. These vary between types of Regional Innovation Systems (such as institutionally “thick” or “thin”; networked or fragmented) as well as the dominating knowledge base of local industries (analytical, synthetic, and symbolic). So far very little is known about how policies for constructing regional advantage can work in such different settings. The project aims at filling this gap by comparing policy initiatives in different regional, institutional and sectoral settings in seven European countries.

Project Budget: 383.000,00 TL

Project Web Page: <http://www4.lu.se/o.o.i.s/13791>



2007/2

EUROCORES

Project Title: The European Road and Rail Infrastructure: A Geographical Information System for the History of the European Integration (1825-2010)

Project Leader:

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Ceyhan Aldemir, Professor, DEU Faculty of Business, Department of Business Administration

Yeşim Kuştepelı, Professor, DEU Faculty of Business, Department of Economics

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Vahap Tecim, Professor, DEU Faculty of Economics and Administrative Sciences, Department of Management Information Systems

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 106K392).

TÜBİTAK 1011 The Support Program for Participation in International Scientific Research Projects

European Science Foundation EUROCORES Inventing Europe Research Collaborative Program

International Consortia:

Project Leader

Jordi Martí-Henneberg, Professor, Universidad de Lleida, Spain

Principal Investigators:

Sedef Akgüngör, Professor, Dokuz Eylül University, Izmir, Turkey

Dr Hans Buitter, University of Technology Eindhoven, Netherlands

Jarmo Rusanen, Professor, University of Oulu, Finland

Luis Silveira, Professor, Universidade Nova de Lisboa, Portugal

Dr. Francisco J. Tapiador, University of Castilla-La Mancha, Toledo, Spain

Associated Partners:

Dr. Ian Gregory, Lancaster University, UK

Dr. Andreas Kunz, Universität Mainz, Germany

Dr. Ekaterina Nikova, Bulgarian Academy of Sciences, Sofia, Bulgaria

Dr. Thomas Thévenin, Université de Bourgogne, Dijon, France

Project Description:

Water, Road & Rail documents and assesses the contribution of new transport technologies and infrastructures to the process of European integration from 1825 to 2005. The main goal is to create new integrated pan-European digital datasets and to analyze these resources to underpin a narrative of the role of transport in long-run European integration. The results of the CRP will provide an empirical basis for multidisciplinary studies on the relationship between terrestrial infrastructures and the European integration. This can only be achieved by spatially integrating datasets of economic, social and demographic variables with transport infrastructure datasets.

Project Budget: 318.835,00 TL

Project Web Page:

<http://www.esf.org/coordinating-research/eurocores/completed-programmes/inventing-europe.html>



TÜBİTAK

2007/3

Project Title: Market Structure, Efficiency, Economies of Scale and Total Factor Productivity of Banking Sector of the EU Member States and Candidate Countries.

Project Leader:

Adnan Kasman, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Saadet Kasman, Professor, DEU Faculty of Business, Department of Economics

Evrin Turgutlu, Associate Professor, DEU Faculty of Business, Department of Economics

Duygu Ayhan, Assistant Professor, DEU Faculty of Business, Department of International Trade and Business

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 107K190).

TÜBİTAK 1001 Support Program for Scientific and Technological Research Projects

Project Description:

Abstract: Financial integration is one of the most important factors of the European Union's (EU) economic integration process, which started with the Treaty of Rome in 1957. The EU stresses the achievement of Maastricht Convergence criteria, which establish the fundamentals of economic and political union. The financial system plays a crucial role for the success of macroeconomic coordination among the member countries. Banking sector is located in the center of the European financial integration process due to its dominant role in the financial system. Hence, the EU has launched new regulations in order to create an efficient banking sector. A "single banking license", which would be valid within the union, was created during these regulatory changes. By the coordination of the legal and regulatory framework, banking services have been unified and liberalized among member countries, the entry barriers have been removed and competition has increased. Due to the increased competition in the sector, efficiency has gained greater importance. Merger and acquisition activities, on the other hand, have increased significantly in recent years due to the cross-border banking and increased competition.

While taking steps for the constitution of the single banking system and financial integration, the European enlargement process also continues to cover totally 25 countries in 2004 and 27 in 2007. Turkey and Croatia are the candidate countries. During the enlargement process, the performance of the banking sectors in the new member countries also gained importance for the achievement of the financial integration. Within this framework, the determination of the differences among the banking sectors of new members, candidates, and EU-15 in terms of market structure and performance is important. This analysis could provide valuable information on the convergence process among the banking sectors. In the literature, some papers investigate the impact of the single European market on the banking sectors of the

EU-15. However, based on the authors' best knowledge, there exist no studies comprising comparative analysis on the performance, market structure and total factor productivity of the banking sectors of the EU countries including the recent members. The banking sectors of the candidate countries, Turkey and Croatia, will also be operating in the single European market upon their full memberships. It is also important to investigate the adjustment of banking sectors in these countries to those of the EU members. Hence, the main objective of this project is to investigate the impact of the single European market on the market structure, efficiency (cost and profit) and the scale economies in the EU member and candidate countries' banking sectors during the period 1994-2006. Particularly, the analysis of the scale economies has gained importance with the recent merger and acquisition activities. The other objective of this project is to investigate the total factor productivity in the banking sectors during the sample period. In the literature, there is no study analyzing the convergence of total factor productivity in the banking sectors of the EU members. The analysis will cover EU-15, EU-27 and EU-29 (27 members and 2 candidates), thus the impact of financial integration with the enlargement process will be displayed in detail. While such changes in the financial system of the EU are observed, inclusion of Turkey to the analysis will shed light on the developing a strategy related to the future of the Turkish banking sector. The empirical results will enable us to compare the competitive structure and performance of the banking sectors between Turkey and the member countries and other candidate country, Croatia. The relative position of the Turkish banking sector will provide information on the risks, advantages and opportunities that the sector will face in the future and clarify the necessary measures that can be taken. It is believed that this project, that includes the EU member and candidate countries' banking sectors, will provide important information for researchers, practitioners and policy makers.

Project Budget: 136.000,00 TL

Project Web Page:



TÜBİTAK

2007/4

Project Title: Testing the Purchasing Power Parity Hypothesis during the Enlargement Period of EU.

Project Leader: Saadet Kasman, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Duygu Ayhan, Assistant Professor, DEU Faculty of Business, Department of International Business and Foreign Trade

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 106K379).

TÜBİTAK 1002 Short Term R&D Funding Program

Project Description:

Abstract: Purchasing power parity (PPP), which considers a particular relationship between exchange rates and relative national prices, is one of the central theoretical concepts for the determination of long-run real exchange rates in international finance. The absolute version of PPP is based on the law of one price and stating that in terms of a common currency the price of an identical good or service should be the same in two countries. The relative PPP, however, states that a change in the exchange rates should be equal to the inflation differential, and bilateral exchange rates should adjust to account for these differentials in the long-run. PPP assumes that any differences in the goods market should be reflected in the currency market.

The Central and Eastern European (CEE) countries have undergone significant institutional and structural changes to create a market-oriented economy in 1990s. During the economic transformation, these countries focused on price and market liberalization, trade reform, various privatization programme and competition policy. They adopted new exchange rate regimes, developed financial institutions, and promoted the inflow of foreign direct investment. The overall purpose of the restructuring and liberalization process has been the progressive integration into the European political and economic structure. Most countries have successfully brought inflation under control, stabilize their currencies and begun to experience productivity growth. Finally, eight of these countries (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia), as well as Cyprus and Malta have joined the European Union (EU) in May 2004. Bulgaria and Romania are the recent members accepted in January 2007, whereas Croatia is expected to follow by 2010. Turkey, which is not a transition economy, and the EU started negotiations in October 2005. A further step for the new twelve EU member countries and two candidate countries is to satisfy the Maastricht convergence criteria to join the European Monetary Union (EMU). Beside the real economic structure, similar monetary policies and exchange rate regimes are necessary for the achievability of enlarging the euro area. Inflation convergence and nominal

exchange rate stability within its members are the two major convergence criteria required for the monetary integration. These two criteria imply the stability of real exchange rates and eventually the real exchange rate convergence. For PPP to hold in the long-run, real exchange rate has to revert to a constant level over time. One would eventually expect that the achievement of PPP occurs with the Maastricht convergence criteria. Therefore, testing the empirical validity of PPP for potential EMU accession countries has significant implications for policy makers in the recent enlargement, since the real exchange rate convergence in these countries will strengthen the economic integration in euro area. The objective of this project is to examine the empirical validity of PPP for the new Central and Eastern European EU member countries, as well as Malta and Cyprus and the two candidate countries, Croatia and Turkey.

The contribution of this project is threefold: First, there are several studies (individually or partially) investigated the empirical validity of PPP in these countries, but none of them have examined in the overall context of the potential EMU accession countries and have emphasized the significance of real exchange rate convergence on European economic integration. Second, we use the minimum LM unit root tests that allow for a maximum of two endogenously determined structural breaks to test for the stationarity of fourteen real bilateral exchange rates against the numeraire currencies, the US dollar and Deutsche mark. We consider the structural breaks since these countries experienced whether significant monetary and real shocks during the transition process or country-specific problems. Third, we also use the panel LM unit root, which has the advantage over other panel unit root tests used in the literature. The major advantage of this test is that it utilizes both panel data and structural breaks when testing for a unit root.

Project Budget: 18,000 TL

Project Web Page:



TÜBİTAK

2007/5

Project Title: The Effects of Single Market Implementation in Financial Services on the Insurance Sector in EU Member States and Candidate Countries: Efficiency and Economies of Scale.

Project Leader:

Adnan Kasman, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Evrin Turgutlu, Associate Professor, DEU Faculty of Business, Department of Economics

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 106K381).

TÜBİTAK 1002 Short Term R&D Funding Program

Abstract: Single Market for insurance markets is one of the objectives of the financial integration process in the European Union. The concept of the “Single European Insurance Market” is based on the issuance of the First Non-Life Insurance Directive by the European Economic Community (EEC) in 1973. Following the implementation of several insurance directives, a period of deregulation and structural change has started. These regulatory changes eventually aimed to remove the barriers on competition within and among the insurance markets of the EU countries and to develop a sound insurance system. As stated by the EU Heads of State in Lisbon in March 2000, establishing a cost-efficient insurance system and an effective regulatory environment would be the major outcome of this process.

While these actions towards the establishment of a single European insurance market have been taken, the enlargement process is also going on in the EU. In 2004, ten and in 2007, two new members joined the union. These enlargement waves are characterized by the dominance of the Eastern European countries. The new members (except Cyprus) are all former Iron Curtain economies. After the collapse of this system, the Eastern European economies have experienced a transition process from socialist to the market economy. Hence the competitive pressure on the insurance firms has increased. Their full membership to the EU intensified this competitive pressure. With the new member countries, today, European insurance system has a greater potential for prospective consumers and growth. By the end of 2006 total premiums generated by the EU-15 amounted to about 1.35 trillions of USD whereas EU-27 generated about 1.38 trillions of USD. These figures indicate a small contribution of the new member countries in terms of premium generation. However, they have a great growth potential. In 2006 non-life premium growth across the Europe was 0.5 percent while the Central and Eastern European (CEE) countries alone created a premium growth of 9.2 percent. These figures suggest that the new member countries have brought ample opportunities towards the development of the European insurance system and reaching the goal of becoming “world’s most efficient insurance system until 2010” that is projected in the Financial Services Action Plan, launched in 1999.

Our study includes 15 major European countries as well as the 4 new members and a candidate country, Turkey. We also include Norway and Switzerland in our analysis since these insurance industries are also operating in the EU market through special agreements. We focus on the firms operating in the non-life branches because the non-life business has been far more developed particularly in the new Central and Eastern European members. Since our aim is to draw information about the cost efficiency performance of the single EU market in a perspective as broad as possible, we choose the non-life branches. Our analysis also takes country-specific environmental factors into account. Inclusion of environmental factors into the analysis allows the researcher to verify the degree of similarity among insurance firm technologies. Since the economic and legal environments are likely to differ across countries (particularly between new transition members and the EU-15) it could induce important differences in insurance firm efficiency through various channels. We include two groups of factors in our analysis: economic and legal/regulatory factors. We also include firm specific factors in our estimation of cost function to control for the differences pertaining to the firm characteristics.

Our study has a major contribution to the literature on the efficiency through investigating the efficiency of the European insurance firms over the single market process. To the authors' best knowledge, this is the first study considering the efficiency and scale economies of the insurance industries in the candidate, new and major countries of the EU throughout the financial integration process. There exist no other studies employing a more detailed data set regarding both the time span and number of included countries. An expanded model is also proposed in this study, which incorporates country specific environmental factors within the definition of a common stochastic frontier. Hence, we aim to provide the broadest perspective on the issues, as possible.

Project Budget: 20,000 TL

Project Web Page:



2008/1

Project Title: Food Labelling to Advance Better Education for Life (FLABEL)

Project Leader:

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Yeşim Kuştepelı, Professor, DEU Faculty of Business, Department of Economics

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Funding: European Union Framework Program (FP7)

International Consortia:

Project Leader:

European Food Information Council (EUFIC), Belgium

Project Partners:

Aarhus University, Denmark

Agricultural University of Athens, Greece

University of Surrey, UK

Wageningen University, the Netherlands

Saarland University, Germany

University of Warsaw, Poland

Dokuz Eylül University, Turkey

Georg-August University Göttingen, Germany

Stakeholders:

European Association of Craft, Small and Medium-sized Enterprises (UEAPME), Belgium Tesco Stores Ltd, UK

Confederation of Family Organizations in the European Union (COFACE), Belgium

Euro Coop, Belgium

Project Description:

Reviews of consumer research on nutrition labelling have identified a gap in scientific evidence about whether nutrition information on food labels is exerting an effect on healthy food choices among consumers. If there is an effect, it is not known how strong the effect is, under which circumstances it occurs, what factors are responsible for it occurring, or whether the effect differs between consumer groups. With this background, the strategic objectives of the EU-funded FLABEL research project are:

To determine how nutrition information on food labels can affect dietary choices, consumer habits and food-related health issues by developing and applying an interpretation framework incorporating both the label and other factors/influences.

To provide the scientific basis on use of nutrition information on food labels, including scientific principles for assessing the impact of different food labelling schemes, to be shared with the EU institutions, the food industry, especially small and medium-sized enterprises (SMEs), and other stakeholders

Project Budget: 273,615.00 €

Project Web Page: www.flabel.org



2010/1

Project Title: A Multilateral University Consortium to Strengthen Tourism Education, Research, and Industry Outreach

Project Leader:

Gürhan Aktaş, Assistant Professor, Faculty of Business, Department of Tourism Administration

Project Team:

Ebru Günlü, Associate Professor, Faculty of Business, Department of Tourism Administration

Burcu Selin Yılmaz, Associate Professor, Faculty of Business, Department of Tourism Administration

Yasemin Arbak, Professor, Faculty of Business, Department of Business Administration

Mustafa Tanyeri, Professor, Faculty of Business, Department of Business Administration

Funding: American Embassy

International Consortia:

University of Florida (UF) USA

Faculty:

Dr. Aslı TAŞÇI

Dr. Lori Pennington-Gray

Administrators:

Dr. Brijesh Thapa

Dr. Michaels Sagas

Practitioners:

Dee Ann McKinney

Roland Loog

Dokuz Eylül University (DEU) Turkey

Faculty:

Dr. Gürhan Aktaş

Dr. Ebru Günlü

Administrators:

Dr. Burcu Selin Yılmaz

Dr. Yasemin Arbak

Practitioners:

Armin Zerunyan

Dr. Mustafa Tanyeri

Armenian State University of Economics (ASUE) Armenia

Faculty:

Dr. Artak Manukyan

Dr. Armenuhi Burnazyan

Administrators:

Dr. Armen Ktoyan

Practitioners:

Armen Shahbazyan

Dr. Hasmik Hambardzumyan

Tourism Planning and Development Consultant: Dr. Muzaffer Uysal

Historic Preservation and Community Conservation Consultant: Prof. Roy Graham

Project Description:

Enabling higher education in the U.S., Turkey and Armenia with similar educational missions to develop and broaden institutional cooperation through exchanges of students, faculty members and administrators for the purposes of study, teaching, research and outreach;

Increasing the understanding between the U.S., Turkey and Armenia through cooperation in higher education;

Reinforcing the impact of other Department of State programs, including Fulbright;

Supporting the current foreign policy priorities of the Department of State, especially efforts to promote the normalization of relations between Turkey and Armenia and to improve educational outreach to non-elite populations.

Project Budget:

Project Web Page: <http://uftourism.org/atafellows/index.shtml>



TÜBİTAK

2010/2

Project Title: The Determinants of Foreign Direct Investments Moving Different Directions and Different Performance Effects in Terms of Enterprises.

Project Leader:

Berna Kırkulak, Associate Professor, Faculty of Business, Department of International Trade and Business

Project Team:

Yeşim Üçdoğruk, Associate Professor, Faculty of Business, Department Economics

Çağnur Balsarı, Associate Professor, Faculty of Business, Department of Business Administration

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number: 110K302).

TÜBİTAK 1001 Support Program for Scientific and Technological Research Projects

Project Description:

FDI plays a key role in economic development, competitiveness and technology transfers. FDI mostly originates from the developed countries in the world. Recently, developing countries such as Hong Kong, China and Russia caught up the FDI performance of developed countries. Although Turkey, as an EU candidate, has comparative advantage in geographic location, low labor cost, abundance of resources, she is not good enough to attract FDI inflows. In spite of FDI promotions and incentives, FDI inflows as well as outflows, are not at the required level. The level of FDI inflows increased in particular during 2005-2006 when the privatization efforts were intensified. However, the increase in the FDI inflows due to privatization cannot be sustainable in the long-run. The determinants of FDI inflows and outflows will contribute to the policies in increasing FDI inflows, thus these inflows will be sustainable.

In this project, firm-level data will be used in order to analyze the determinants of FDI success through comparing inflows and outflows. The sampling period will be from 1993 through 2009. The sample will be selected from Turkish FDI inflows (receivers), outflows (investors) and the firms which have FDI inflows and outflows simultaneously. Using this sample period that covers the financial crises and extensive investment incentives applications will enrich the implications of the results of the analyses. As a summary, the aims of this project are: i) to analyze the firm-level determinants of Turkish FDI inflows and outflows ii) to specify the effect of FDI inflows and outflows on firm performance.

The main data source of this project will be gathered from Deputy of Treasury. In addition to this, the data will be matched with the data provided from Istanbul Chamber of Industry (ICI), Istanbul Stock Exchange

(ISE), and Turkish Patent Institute. The Sample Selection method will be applied in this project. This method analyzes the determinants of FDI inflows & outflows and their effect on firm performance simultaneously.

The contributions of this project to the literature are as follows: i) to the authors' knowledge, yet there has been no study analyzing the determinants of FDI receivers and suppliers (providers) and both simultaneously at the firm-level. This project aims to examine FDI receiving and engaging firms according to their regional and industrial distribution, employment, labor productivity, profitability, foreign trade and technological capabilities ii) The project benefits from firm-level data. Up to date, most of the researchers have used aggregate values with regard to FDI. This project differs from the existing literature in using the firm-level data for FDI inflows and outflows iii) Furthermore, this project examines the FDI inflows and outflows during the financial crisis period iv) Finally, the relationship between FDI inflows & outflows and investment incentives will be analyzed in detail.

As a result of this study, the firm-level determinants of FDI inflows and outflows will be analyzed and relative effect of FDI inflows and outflows on firm performance will be measured. This project aims to help in generating FDI-oriented regional and industrial investment incentive policies. We hope that the institutions such as Ministry of Industry and Commerce, Deputy of Foreign Trade, Deputy of Treasury, Export Promotion Center of Turkey, Municipalities, NGOs, Chamber of Industry and Commerce, Embassies, private sector representatives, domestic and foreign researchers will benefit from this project's findings.

Project Budget: 23,520 TL

Project Web Page:

Turkish German Innovation Networks



2011/1

Project Title: Knowledge Transfer in Turkish-German Innovation Networks in the Context of European Integration.

Project Leader:

Yeşim Kuştepe, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Canan Balkır, Professor, DEU Graduate School of Social Sciences, Department of EU Studies

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant

INTEN-C Programme

Project partner in Germany:

Andreas Pyka, Hohenheim University, Chair for Innovation Economics

Project Description:

The aims of the project are:

Measuring and visualizing innovation networks between Turkish and German agents (firms, academia, and government).

Revealing structural and compositional features of social integration, learning patterns and knowledge transfer between Turkish and German firms/organizations.

Exploring the differences in (sectoral) innovation networks depending on different knowledge bases.

Identifying the crucial actors (key players) in the networks and to describe the tasks taken over by them in the networks.

Analyzing the role of commuting entrepreneurs (i.e. actors which move fore- and backwards between the core and the periphery) for the establishment and performance of Turkish German innovation networks.

Analyzing the ego-networks of these crucial actors. How have these agents developed, established and used social networks to promote knowledge flows, innovation and business competitiveness?

Understanding the formation of successful innovation networks through individual and collective action.

Discovering factors which hinder and support the emergence of innovation networks.

Exploring the possibilities for catching-up of periphery regions offered by innovation networks.

Deriving policy conclusions for the design of network policies.

Project Budget: 210,918 TL

Project Web Page: www.tginnet.org



TÜBİTAK

2011/2

Project Title: Bank Earnings Volatility, Bank Size, Market Concentration and Stability in the Turkish Banking Industry

Project Leader:

Saadet Kasman, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Adnan Kasman, Professor, DEU Faculty of Business, Department of Economics

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (Project number:).

TÜBİTAK 1001 Support Program for Scientific and Technological Research Projects

Project Description:

Abstract: Recent development in banking regulation and the widespread adoption of new banking technologies have had a significant impact on the competition conditions of banking systems of developed and developing countries. Increased competition has been considered the main driving force behind the acceleration in consolidation process in both groups of countries, and it is also raising concerns about increased concentration in the banking sector. Regulatory institutions are concerned whether consolidation process creates threat on the survival chance of small banks in the industry. Small banks are a primary source of financing for small business firms, which are an important engine of economic growth. Therefore, in contrast to large banks, small banks give more weight to the long term relationship and tend to either pick borrowers whose assets have relatively low credit risk or to make loans that are backed by more collateral. Nonetheless, small banks have higher risk since they have fewer opportunities to diversify. However, large banks are less willing to lend to firms on which they have limited information. There are a few studies in the literature that investigate the determinants of differences in behavior of small and large banks operating in banking sectors of the US and Europe. Future regulations that take into account the differences between small and large banks might decrease financial crises risk. One of the main objectives of this project is to investigate the determinants of bank earnings volatility of small and large banks operating in the Turkish banking industry. The other main objective of this project is to investigate whether large banks are more stable than small banks. The Turkish banking sector provides a fertile laboratory to examine the differences in behavior of small and large banks since it engaged in a process of structural reform, economic integration and technological change, while the system is witnessing more consolidation. Investigating the differences between small and large banks for banking markets of developing countries contributes significantly to the literature. In summary, the findings of this project will provide information on the risks, advantages and opportunities that the sector will face in the future and clarify the necessary measures that can be taken. It is also believed that this project will provide important information for researchers and policy makers.

Project Budget: 73,000 TL



2013/1

Project Title: EU's Expanding Trade Policy Agenda Challenging EU-Turkey Customs Union (EUTRACU)

Project Leader:

Yaprak Gülcan, Professor, DEU Faculty of Business, Department of Economics

Project Team:

Canan Balkır, Professor, DEU, Department of EU Studies

Yeşim Kuştepelı, Professor, DEU Faculty of Business, Department of Economics

Sedef Akgüngör, Professor, DEU Faculty of Business, Department of Economics

Pınar Karacan, Associate Professor, Faculty of Business, Department of International Relations

Funding: Scientific and Technological Research Council of Turkey (TÜBİTAK), Social Science and Humanities Research Group Grant (113K013)

2359

Project Partner in Belgium:

Jan Orbie, Ghent University, Department of Political Science

Supporting Institution:

Economic Development Foundation, İstanbul, Turkey (İKV)

Abstract:

The European Union (EU) and Turkey established a customs union (CU) in 1995. This is a far-reaching economic relationship providing for a common external border between the EU and Turkey. After the refusal of 1987 membership application of Turkey, CU seemed to be the only alternative left for pursuing relations. In fact, existing research suggests that it was even feared that without the CU, a strong anti-European sentiment could win the upper hand in Turkey. The intense lobbying campaign of the Turkish government, with some support of the United States' diplomats in Community circles, resulted in the EP's assent for the implementation of the CU, the commencement date being in line with the timetable of the Ankara Agreement and the Additional Protocol.

Recently, to complement Lisbon agenda by introducing an external dimension, EU introduced Global Europe Strategy and began to conclude a series of free trade agreements with third countries such as South Korea, Colombia/Peru, the Cariforum group, Singapore, and several negotiations are under way with many more countries such as India, Canada, Japan, and even the United States. These agreements have the potential to include varying amounts of deep integration, deals that goes further than the coverage of Turkey's CU.

The contribution of this project is to fill in the gap in the literature in terms of economic, legal, and political implications of the EU's new trade policies on the CU of Turkey with the EU. The results of this detailed analysis are deemed to be very crucial in terms of the current global conjuncture in addition to ongoing accession negotiations between the EU and Turkey.

The project aims to investigate the following hypotheses: how can the EU-Turkey CU in its current form be explained; how has the new context of EU trade policy impacted on the functioning of the EU-Turkey CU; how does the new generation of free trade agreements impact the EU-Turkey Customs Union; what can policy-makers in the EU and in Turkey learn from the results of this research project.

Project Budget: 230,563.00 TL.

Project Web Page:



2013/2

Project Title: Feasibility Study on Center of Excellence for Technical Textiles

Project Leader:

Mustafa Tanyeri, Professor, DEU Faculty of Business, Department of Business Administration

Project Team:

Ömür Neczan Timurcanday Özmen, Professor, DEU Faculty of Business, Department of Business Administration

Sevil Yeşilpınar, Professor, DEU Faculty of Engineering, Department of Textile Engineering

Merih Sarıışık, Professor, DEU Faculty of Engineering, Department of Textile Engineering

Berna Kırkulak Uludağ , Associate Professor, DEU Faculty of Business, Department of International Business and Trade

Aysun Akşit, Associate Professor, DEU Faculty of Engineering, Department of Textile Engineering

Banu Atrek, Assistant Professor, DEU Faculty of Business, Department of Business Administration

Bengi Kutlu, Assistant Professor, DEU Faculty of Engineering, Department of Textile Engineering

Ozan Kayacan, Assistant Professor, DEU Faculty of Engineering, Department of Textile Engineering

Sumeyra Duman Kurt, Research Assistant, DEU Faculty of Business, Department of Business Administration

Funding: Izmir Development Agency

Supporting Institution: Aegean Exporters Associations

Project Description:

Textile and apparel sector has a significant role in Turkey's manufacturing industry and a leading status in employment, production and export. Therefore, sustainability of competitive advantage is crucial in this sector. To foresee the wind of change in the sector and be ready for these developments reveal the opportunity of transforming easily into technical textiles which provide higher added value and profit margin when compared to conventional textile products. In spite of the fact that technical textiles form 25% of global production and are anticipated to increase in the following years, research and development is far below the required level in Turkey. For this reason, a need for a center that supports these endeavors, disseminates the information gathered, contributes to solution seeking for the sector's problems is inevitable. In this respect, through the leadership of Aegean Exporters Association and financial support of

İzmir Development Agency, the aim of this project is to conduct a feasibility study to identify possible contributions of a Center of Excellence for Technical Textiles that will be established in İzmir for the industry, determine the industry's expectations and demands about the need for this center, decide whether the operations, capacity and services provided are sustainable or not.

In this framework, first a situation analysis is done related to the technical textiles industry. Secondly a value chain analysis is conducted via workshops, field study, five forces analysis, and product life cycle theory. Then a feasibility study is presented about the establishment of the center. Finally conclusion and general evaluation are given in the light of all the analysis conducted.

Budget: 75,000 TL

SELECTED PAPERS

Akgüngör, Sedef (2006). Geographic concentrations in Turkey's manufacturing industry: Identifying regional highpoint clusters. *European Planning Studies*, 14(2), 169-197.

The theory of economic development based on industry clusters emphasizes the importance of co-location of firms or industries with potential to share technical information and knowledge transfer. The paper identifies industry cluster templates in Turkey using the 1996 Turkish input/output table. Engineering and textile clusters are the largest ones with respect to the number of establishments and employment. Majority of manufacturing clusters are located in İstanbul, İzmir, Ankara/Kırıkkale and Çukurova districts. The study points out the importance of newly developing centres near the periphery of Ankara and several production centres in Anatolia.

Kasman, Saadet, Kasman, Adnan and Turgutlu, Evrim (2006). Fisher hypothesis revisited: a fractional cointegration analysis. *Emerging Markets Finance and Trade*, 42(6), 59-76.

This paper investigates the validity of the Fisher hypothesis using data from 33 developed and developing countries. Conventional cointegration tests do not provide strong evidence on the relationship between nominal interest rates and inflation. Therefore, we use fractional cointegration analysis to test the long-run relationship between the two variables. The results indicate that the long-run relationship between nominal interest rates and inflation do not exist for most countries in the sample when conventional cointegration test is employed. However, fractional cointegration between the two variables is found for a large majority of countries, implying the validity of the Fisher hypothesis. The results also indicate that the equilibrium errors display long memory.

Kasman, Adnan and Yildirim, Canan (2006). Cost and profit efficiencies in transition banking: the case of new EU members. *Applied Economics*, 38(9), 1079-1090.

This paper analyses cost and profit efficiencies in commercial banking in the eight Central and Eastern European countries that became new members to the European Union. Common stochastic cost and profit frontiers with country-specific variables are employed in order to take into account macro-economic and financial sector conditions that vary over time and across countries. The impact of foreign ownership on performance is also examined. The results indicate a wide range of cost and profit inefficiency scores across countries and across different size groups. All banking systems in the sample display significant levels of cost and profit inefficiency and there does not seem to be any continuous improvement in performance over time. There is also some evidence that foreign banks perform, on average, better than domestic banks.

Kuştepli, Yeşim (2006). Income inequality and growth in the European Union: The effects of the latest and a possible further enlargement. *Emerging Markets Finance and Trade*, 42(6), 77-88.

This study investigates the relation between income inequality and economic growth, namely, the Kuznets curve, in the context of EU enlargement. The results have implications regarding how the latest enlargement of the European Union affects the relationship between income inequality and growth, for both EU member countries and the European Union as a region. Estimation results show that there is no evidence of a significant original or reverse Kuznets curve for any of the groups of countries in this study. Therefore, empirical results suggest that the latest enlargement, and a possible future accession of the candidates, may not change the fact that a Kuznets curve does not exist for the European Union.

Akgüngör, Sedef and Falcioğlu, Pınar (2008). Regional specialization and industrial concentration patterns in Turkish manufacturing industry after trade liberalization. *European Planning Studies*, 16(2), 303-323.

Previous studies on geographical distribution of economic activity in Turkey demonstrate that firms are localized in major metropolitan areas as well as a set of emerging regions. The aim of the paper is to

complement the findings of the studies on regional and industrial concentration in Turkey's manufacturing industry by exploring whether regional specialization and industrial concentration patterns changed during the 1980–2000 period. The paper further aims to explore the driving forces of industrial concentration in Turkey's manufacturing industry, particularly during Turkey's economic integration process that started with trade liberalization after 1980 and further developed with the Customs Union in 1996. Regional specialization and industrial concentration are measured by GINI indices Turkey's NUTS-2 regions at the four-digit level for the years between 1980 and 2000. To investigate which variables determine industry concentration, systematic relation between the characteristics of the industry and industrial concentration is tested. Following the method proposed by Paluzie, Pons and Tirado, a panel regression equation is estimated, where the dependent variable is the Gini concentration index and the independent variables are the variables that represent the characteristics of the sectors that follow the predictions of classical trade theory, new trade theory and new economic geography. The major finding of the study is that during 1980-2000, Turkey's regions became more specialized and industry became more concentrated. Increases in the average values of regional specialization and industrial concentration support the prediction developed by Krugman hypothesis that regions become more specialized and industries become more concentrated with economic integration. In exploring the driving forces of industrial concentration, the findings demonstrate that firms tend to cluster in regions where there are economies of scale.

Eskişar, Gül M. Kurtoğlu (2008). Democratization in Eastern Europe: A viable model for the Middle East? *Romanian Journal of Political Science*, 8(1), 25-36.

Almost a decade before the end of the 20th century, most parts of Eastern Europe were still under the communist rule and, with a few exceptions, the Middle East was checker squared with varying degrees of authoritarianism. Almost a decade into the 21st century and many East European countries are now regarded as democracies. The Middle East, however, continues to be dominated by authoritarian regimes. This study outlines some of the factors that can help to explain this contrasting outcome in a comparative framework.

Eskişar, Gül M. Kurtoğlu (2008). Political parties matter: Explaining peaceful and violent state-islamist interactions in Algeria, Egypt, Indonesia and Turkey. *Japanese Journal of Political Science*, 9(2), 183-207.

What explains the breakout of violence following the repression of moderate Islamist groups in some Muslim countries? Part of the answer can lie in the political organization style of those groups, which can constrain or expand their long-term strategy choices in unpredicted ways. Using examples from Algeria, Egypt, Indonesia, and Turkey, this study suggests that organizing as a political party can initially restrict the means of action otherwise available to a moderate Islamist movement, while the loose framework of a political front reduces its organizational costs and lends remarkable flexibility to attract a wider range of followers. Later, paradoxically, the political party framework can enable limited access of an Islamist group into the political system otherwise completely inaccessible earlier, and help to enhance its power, while political fronts are exposed to attacks from both incumbent regimes and radical Islamists groups alike.

Gülcan, Yaprak (2008). Bölgesel kalkınmada kültürel faktörlerin rolü: Ege bölgesi illeri arasında karşılaştırmalı bir çalışma (The Role of Embedded Cultural Factors in Regional Development: A Comparative Study on Cities of Aegean Region). *İktisat, İşletme ve Finans*, 23(271), 93-114. (in Turkish)

Studies on the impact of culture on economic output and economic behavior point out the significance of historical process through which the culture is shaped. The study aims to investigate the impact of cultural variables in explaining the differences across provinces in close proximity. The project covers eight NUTS 3 provinces in Aegean Region (Western Anatolia) and focuses on exploring the relationship between regional development and the economic actors' attitudes towards trust, cooperation and work. The findings reveal that Aegean Region cities have a homogeneous pattern of culture. However, along with economic and demographic variables, "internal locus of control", which is one of the dimensions of PWE is a significant determinant of local development. Education, communication infrastructure and transportation infrastructure (such as village roads) are also found to significantly affect local economic development.

İlter, Burcu, Özgen, Özge and Aykol, Bilge (2008). 15-19 Yaş grubundaki tüketiciler alışveriş merkezlerini nasıl algılıyor?: İzmir ilinde bir uygulama (How do consumers aged between 15 and 19 perceive shopping malls? A study in İzmir). İktisat, İşletme ve Finans, 23(266), 51-69 (in Turkish).

This study deals with the evaluative criteria which consumers between ages of 15-19 consider to be important in selection of shopping malls. The objective of the study is to explore whether the favorite and the most frequently visited shopping mall created significant differences on the importance attached to the evaluative criteria. In addition to this, the researchers tested whether the variables like locations in a shopping mall where consumers spend most of their time and money created significant differences on the importance attached to the evaluative criteria. Overall the factors regarded as most important were sense of comfort and pleasure, prices, movie theatres, and merchandising respectively. However, the above mentioned variables created significant difference on their importance levels. The results of the study are supposed to be helpful for shopping mall managers while developing appropriate marketing strategies by focusing on the image components.

Kasman, Adnan and Ayhan, Duygu (2008). Foreign exchange reserves and exchange rates in Turkey: Structural breaks, unit roots and cointegration. Economic Modelling, 25(1), 83-92.

This paper investigates the relationship between exchange rates (nominal and real) and foreign exchange reserves in Turkey, using monthly data over the period 1982:1–2005:11. Unit root and cointegration tests, which allow for structural breaks are used. The results indicate that there is a long-run relationship between foreign exchange reserves and exchange rates. The results also suggest that the direction of both long and short-run causality is from foreign exchange reserves to real effective exchange rate. As for the relationship between nominal exchange rate and foreign exchange reserves, the results suggest that in the long-run nominal exchange rate Granger cause foreign exchange reserves.

Kasman, Adnan and Kasman, Saadet (2008). The impact of futures trading on volatility of the underlying asset in the Turkish stock market. Physica A: Statistical Mechanics and its Applications, 387(12), 2837-2845.

This paper examines the impact of the introduction of stock index futures on the volatility of the Istanbul Stock Exchange (ISE), using asymmetric GARCH model, for the period July 2002 October 2007. The results from EGARCH model indicate that the introduction of futures trading reduced the conditional volatility of ISE-30 index. Results further indicate that there is a long-run relationship between spot and future prices. The results also suggest that the direction of both long- and short-run causality is from spot prices to future prices. These findings are consistent with those theories stating that futures markets enhance the efficiency of the corresponding spot markets.

Kasman, Adnan, Kasman, Saadet and Turgutlu, Evrim (2008). Monetary policy convergence of potential EMU accession countries: A cointegration analysis with shifting regimes. Economic Modelling, 25(2), 340-350.

This paper investigates monetary policy convergence between the reference country (Germany) and the new Central and Eastern European EU member countries as well as Malta and Cyprus during the process of joining the European Monetary Union (EMU) and the four candidate countries, Bulgaria, Romania, Croatia and Turkey. Monetary policy convergence is examined through testing the uncovered interest parity (UIP) hypothesis. The long-run relationship between interest rates, a necessary condition for testing the UIP hypothesis, is examined using a cointegration test that considers the presence of structural breaks. The empirical findings of this paper provide significant evidence to support that German interest rates and interest rates in six sample countries, Croatia, Estonia, Hungary, Romania, Slovak Republic, and Turkey are stochastically converging. The UIP hypothesis, however, is not rejected only for Estonia, Croatia, and Turkey.

Özdikmenli, İlkin and Ovalı, Şevket (2008). Irak savaşı sonrasında liberal dünyanın yapay ikiliği (Pseudo split of the liberal world in the aftermath of the Iraqi war). *Uluslararası İlişkiler (SSCI)*, 5(15), 89-118. (in Turkish)

The Iraqi War has evinced a split over security concerns in the liberal world: US military force based upon unilateralism versus Europe's multilateralism which emphasizes international law and organizations. Since the end of the Cold War, US unilateralism had been subject to criticisms but for the first time the Iraqi war revealed an explicit European based reaction to this. With reference to international relations theory and to the historical background of Transatlantic relations, this article argues that rather than labeling this crisis as a polarization within the North Atlantic security community, this split within the liberal world should better be analyzed as a temporary and pseudo split. This is because the parties to the conflict would likely limit their insistence upon their policy considerations.

Aksoy, Sevilay Z. (2009). The prospect of Turkey's EU membership as represented in the British newspapers the Times and the Guardian, 2002-2005. *Journal of European Studies*, 39(4), 469-506.

This article examines the prospect of Turkey's EU membership as presented in two influential British newspapers and their Sunday editions (*The Guardian/Observer* and *The Times/Sunday Times*) during the eventful period of 2002—5, when Turkey's expectations of setting a date for the start of accession talks overlapped with the establishment in Turkey of a single party government with roots in political Islam, the preparatory phase of the EU constitution, and the terrorist attacks on British targets in Istanbul. The particular aim is to find out how the enthusiastic support of the British government for Turkey's EU membership was reflected and evaluated in the press, and what particular arguments (pragmatic, moral and ethical—political) were put forward either for or against. A discourse analysis of the papers' regular columnists and news correspondents suggests that although *The Guardian/Observer* and *The Times/Sunday Times* do not hold radically different views on the issue, and are close to the British government's pro-Turkish stance, they differ in their degree of support for Turkey's EU membership and the rationale they deploy to support their respective positions.

Ayhan, Duygu and Kasman, Adnan (2009). The impact of De Jure and De Facto exchange rate regimes on lite volatility of macroeconomic variables. *İktisat, İşletme ve Finans*, 24(278), 46-69.

Exchange rate regime choice is one of the most important macroeconomic policies. This paper examines the impact of exchange rate regimes on the volatility of macroeconomic variables in "de jure" and "de facto" classifications in Turkey for the period 1982-2007. By using iterated cumulated sum of squares algorithm, symmetric and asymmetric autoregressive conditional heteroscedasticity models with structural breaks are estimated. The results suggest that the volatility of exports, imports, total credit volume and stock price index is affected by de jure exchange rate regimes; whereas the volatility of foreign exchange reserves, nominal exchange rate, real exchange rate, exports and total Turkish Lira deposits is influenced by de facto exchange rate regimes. These results indicate that there is neither "de jure regime neutrality" nor "de facto regime neutrality".

Gülcan, Yaprak, Kuştepe, Yeşim and Akgüngör, Sedef (2009). Public policies and development of the tourism industry in the Aegean region. *European Planning Studies*, 17(10), 1509-1523.

Evidence in developing countries, especially in the Mediterranean basin, shows that the tourism sector has an important role in regional industrialization and economic growth [Tosun, C., Timothy, D. & Öztürk, Y. (2003) Tourism growth, national development, regional inequality in Turkey, *Journal of Sustainable Tourism*, 11(2-3), pp. 133-161]. Turkey has been successful in developing resort areas and attracting large number of tourists. The tourism sector is a highpoint industry and a crucial public policy area for the Mediterranean and Aegean Regions. The article has two aims: (1) to determine the significance of the tourism industry in the Aegean Region in Turkey by looking at specialization patterns in economic activities across the country and to identify the provinces of the region within which tourism is a highpoint industry and (2) to explore whether public investment in tourism in the Aegean Region has an impact on the value added created by the tourism industry. A comparison of regional structures of the regions reveals that 30%

of tourism licensed accommodation establishments are located in the Aegean Region. The results from the location quotient estimates for 1995 and 2001 reveal that the Aegean Region is highly specialized in the tourism industry, particularly when the spatial distribution of the hotels is observed. Value added created by hotels of the Aegean Region is higher than the country average as well. In addition, the econometric model shows that the regional value added created by the tourism sector between 1995 and 2001 is significantly enhanced by public policies that focus on the sector.

Kasman, Adnan (2009). The impact of sudden changes on the persistence of volatility: evidence from the BRIC countries. *Applied Economics Letters*, 16(7), 759-764.

This article analyses sudden changes of volatility in the stock markets of the BRIC countries (Brazil, Russia, India and China) using the iterated cumulative sums of squares algorithm for the period 1990 to 2007 and examines their impacts on the persistence of volatility. The results show that when endogenously determined sudden shifts in variance are taken into account in the Generalized Autoregressive Conditional Heteroscedasticity (GARCH) model, the estimated persistence in return volatility is reduced significantly in every return series. These results suggest that the findings of previous studies could have overestimated the degree of the persistence of volatility existing in the financial time series. These results have important policy implications for the financial market participants and policy makers.

Kasman, Adnan, Kasman, Saadet and Torun, Erdost (2009). Dual long memory property in returns and volatility: Evidence from the CEE countries' stock markets. *Emerging Markets Review*, 10(2), 122-139. Authors:

This paper investigates the presence of long memory in the eight Central and Eastern European (CEE) countries' stock market, using the ARFIMA, GPH, FIGARCH and HYGARCH models. The data set consists of daily returns, and long memory tests are carried out both for the returns and volatilities of these series. The results of the ARFIMA and GPH models indicate the existence of long memory in five of eight return series. The results also suggest that long memory dynamics in the returns and volatility might be modeled by using the ARFIMA–FIGARCH and ARFIMA–HYGARCH models. The results of these models indicate strong evidence of long memory both in conditional mean and conditional variance. Moreover, the ARFIMA–FIGARCH model provides the better out-of-sample forecast for the sampled stock markets.

Kasman, Adnan and Turgutlu, Evrim (2009). Cost efficiency and scale economies in the Turkish insurance industry. *Applied Economics*, 41(24), 3151-3159.

This article examines the cost efficiency and scale economies of insurance firms in the Turkish insurance industry over a 15-year period, 1990-2004. Using the stochastic cost frontier model, cost efficiency scores and scale economies were estimated for each firm in the sample. The results show that mean cost inefficiencies range between 18.3 and 36.9% of total costs and they do not tend to decrease over time. On average, small firms are more cost efficient than large firms. Economies of scale appear present and significant for any class size. The results suggest that there is a substantial difference in scale economies between small and large insurance firms.

Kasman, Saadet, Turgutlu, Evrim and Ayhan, Duygu (2009). Long memory in stock returns: evidence from the major emerging Central European stock markets. *Applied Economics Letters*, 16(17), 1763-1768.

This article analyses the long-memory properties of the daily stock market returns of four major emerging Central European countries, the Czech Republic, Hungary, Poland and the Slovak Republic. We use the semi-parametric method of Geweke and Porter-Hudak (1983) and parametric method of Sowell (1992). The results indicate a significant long memory in the return series of the Slovak Republic. The evidence of long memory in Hungary and the Czech Republic is, however weak. Poland is the only market exhibiting short memory. Since long-memory property is inconsistent with the market efficiency, there is still room for the investors to receive unexploited profits in the stock market of the Slovak Republic.

Özdağoğlu, Güzin and Salum, Latif (2009). Modern QFD-based requirements analysis for enterprise modelling: Enterprise-QFD. *International Journal of Computer Integrated Manufacturing*, 22(12), 1102-1127.

Competitiveness and globalisation force enterprises quickly to adapt to changing conditions of markets. Enterprises employ modelling methodologies to organise their strategic knowledge to cope with this change, which results in an enterprise (data) model. Requirements discovery and analysis is the most important phase in creating the enterprise model because any mistake in the requirements discovery deteriorates the validity of the model, resulting in user dissatisfaction. Quality function deployment (QFD) is a well-known and integrated approach used in converting the requirements of users into final product specifications. This paper modifies QFD for enterprise modelling, and proposes Enterprise-QFD, which provides a common platform to be integrated with any methodology for discovering and analysing customer requirements. The modified QFD tables involve some required columns added and unnecessary ones deleted based on enterprise modelling. A novel matrix content and sequence is also proposed.

Özgen, Özge, Atrek, Banu and Kurt, Sumeyra Duman (2009). Communicating customer requirements to customer relationship management: An application of modern quality function deployment. *İktisat İşletme ve Finans*, 24(283), 89-117.

Considering today's intensively competitive environment, firms started to pay more attention to customer relationship management both to establish long-term relationships with customers and also to benefit from the relative cost advantage of customer retention. However, firms should also listen to the voice of the customer and able to integrate it to their marketing strategies by carefully interpreting those requirements. This article aims to communicate the voice of customer acquired by modern quality function deployment methodology, which is capable of capturing and understanding customer requirements, to customer relationship management applications. In this aspect, an empirical study is conducted on Dokuz Eylül University, Faculty of Business academic staff regarding notebooks and a customer relationship management database is generated including respondents' requirements of the product in question. As a result of this study, it is believed that a new point of view is brought to customer relationship management applications by including voice of customer to customer relationship management database. Firms can utilize this application to satisfy customers by providing customized goods/service through applying the right marketing strategy to the right customer.

Taymaz, Erol and Üçdoğruk, Yeşim (2009). Overcoming the double hurdles to investing in technology R&D activities of small firms in developing countries. *Small Business Economics*, 33(1), 109-128.

Technological activities of small and medium-sized enterprises (SMEs) have received considerable attention from researchers and policy makers since the mid-1980s. Small firms could nurture entrepreneurship and facilitate the creation and application of new ideas. In spite of their potential in generating innovations, it is also observed that SMEs shy away from formal R&D activities, and the firm size itself seems to be a barrier for R&D activities. SMEs operating in developing countries face extra hurdles to investing in R&D. Given the massive share of SMEs, it becomes crucial to realize their developmental potential in developing countries. In this paper, we study the drivers of R&D activities in SMEs in Turkish manufacturing industries by using panel data at the establishment level for the 1993-2001 period. Our findings suggest that SMEs are less likely to conduct R&D, but if they overcome the first obstacle of conducting R&D, they spend proportionally more on R&D than the LSEs do. R&D intensity is higher in small than in large firms. Moreover, public R&D encourages firms to intensify their R&D efforts. The impact of R&D support is stronger for small firms.

Yılmaz, Burcu Selin and Gunel, Ozgur Devrim (2009). The Importance of strategic stakeholder management in tourism sector: Research on probable applications. *TOURISMOS: An International Multidisciplinary Journal of Tourism*, 4(1), 97-108.

The main object of this study is to explain the importance of strategic stakeholder management in tourism sector. In today's turbulent and chaotic business environment all businesses have to operate under the pressure of different interests and influences which management has to assess and evaluate to adjust them

with corporate objectives. Therefore strategic stakeholder management practices could be considered as useful tools in dealing with the stakeholder interests in order to achieve corporate objectives. In making important corporate decisions, it is necessary to know about expectations and impacts of different stakeholders. In this study by examining former studies, the importance of the concept of stakeholder for organizations, the reasons why organizations should respond to their stakeholders and the need for managing stakeholders strategically, its importance and practices in tourism sector are demonstrated. In addition, the tourism sector managers' opinions and attitudes towards strategic stakeholder management are examined by interviews with managers of some tourism enterprises in Izmir.

Armaneri, Özgür, Özdağoğlu, Güzin and Yalçınkaya, Özgür (2010). An integrated decision support approach for project investors in risky and uncertain environments. *Journal of Computational and Applied Mathematics*, 234(8), 2530-2542.

In project investment decisions, it is often assumed that estimated values of project parameters are certain and they would not deviate by the time. However, project parameters normally change during a life cycle of the project. Therefore, an existence of a deviation or gap between forecasted values and actual values is inevitable. Because of the uncertainty of the future, forecasting the true and exact values of project parameters is almost impossible. In this study, an integrated decision support approach based on simulation and fuzzy set theory is proposed for project investors in risky and uncertain environments. This approach determines the risk levels of the projects and helps investors to make investment decisions. In the scope of the study, a flowchart is presented to guide to decision maker in different situations of information uncertainty that belongs to project parameter values. Via this flowchart, the values of project parameters can be chosen depending on how they are determined (deterministic, stochastic or fuzzy) by project analyst. Besides, calculating and analyzing the project risk in all possible situations would be easier. Illustrative examples are given to demonstrate the application of this approach.

Eisenberger, Robert, Karagonlar, Gokhan, Stinglhamber, Florence, Neves, Pedro, Becker, Thomas E., Gonzalez-Morales, M. Gloria and Steiger-Mueller, Meta (2010). Leader–member exchange and affective organizational commitment: The contribution of supervisor's organizational embodiment. *Journal of Applied Psychology*, 95(6), 1085-1103.

In order to account for wide variation in the relationship between leader–member exchange and employees' affective organizational commitment, we propose a concept termed *supervisor's organizational embodiment* (SOE), which involves the extent to which employees identify their supervisor with the organization. With samples of 251 social service employees in the United States (Study 1) and 346 employees in multiple Portuguese organizations (Study 2), we found that as SOE increased, the association between leader–member exchange and affective organizational commitment became greater. This interaction carried through to in-role and extra-role performance. With regard to antecedents, we found in Study 1 that supervisor's self-reported identification with the organization increased supervisor's expression of positive statements about the organization, which in turn increased subordinates' SOE.

Emirhan, Pınar Narin and Konyalı, Gonca (2010). Türkiye’de dış ticaretin ücretlere etkisi: İmalat sanayi için bir uygulama (The effect of international trade on wages in Turkey: An empirical analysis for the manufacturing industry). *İktisat İşletme ve Finans*, 25(288): 29-50. (in Turkish)

The aim of this study is to analyze the relationship between international trade and wages in Turkey by using 1983-2000 Annual Surveys of Manufacturing Industry. In the study, sector level data are used and manufacturing industry is divided into traded and nontraded goods industries, and technology intensive and low technology industries subgroups. It is found that there is a negative relationship between average wages and trade openness and exports; and a positive relationship between imports and wages only for traded goods and technology intensive industries. These results show that productivity effects of international trade is weak for Turkish manufacturing industries.

Günlü, Ebru, Aksaraylı, Mehmet and Perçin, Nilüfer Şahin (2010). Job satisfaction and organizational commitment of hotel managers in Turkey. *International Journal of Contemporary Hospitality Management*, 22(5), 693-718.

The aim of this study was to identify the link between the dimensions of job satisfaction and organizational commitment among managers in large scale hotels in the Aegean region of Turkey. Two structured questionnaires were administered to large scale hotel managers in the tourism industry. The survey instruments were adopted from the validated Minnesota Job Satisfaction and Organizational Commitment Questionnaire of Meyer-Allen. The data were analyzed using SPSS. The findings indicate that there was a significant relationship between organizational commitment and overall job satisfaction. In other words normative commitment and affective commitment had a significant effect on extrinsic, intrinsic and general job satisfaction. In contrast, the findings suggested that continuance commitment did not have a significant effect on the dimensions of job satisfaction among the managers of large scale hotels. Participants were limited to the managers of large scale hotels in Aegean region of Turkey, so the results could not be generalized to the whole country, although the number of respondents was assumed to be sufficient to provide comprehensive results. Although organizational commitment was found to affect overall job satisfaction, practitioners should not disregard the fact that there is an interactive relationship between the two factors; otherwise the organizations might be at risk.

Günlü, Ebru and Okumuş, Fevzi (2010). Bridging tourism theory and practice: Tourism in the Muslim world Edited by Scott, Noel and Jafari, Jafar published by Emerald Group Publishing Limited. *THE HAJJ: Experience of Turkish Female Pilgrims*, 2, 221-235.

This chapter presents findings from in-depth interviews with female pilgrims travelling from Turkey to the Hajj. The three main motives for the participants were; fulfilling one of the Five Pillars of Islam, visiting the center of the Muslim world, and seeing how others practiced Islam. The majority of female pilgrims either made a joint decision with their husbands or others made the decision on their behalf. The experiences and reported by respondents are discussed. Hajj experience can have long lasting influences on the female pilgrims in many ways, which may include becoming more spiritual, peaceful, attentive, calm, tolerant, and careful.

Kasman, Adnan (2010). Consolidation and competition in the banking industries of the EU member and candidate countries. *Emerging Markets Finance and Trade*, 46(6), 121 – 139.

This paper investigates the competitive conditions in the banking markets of all the EU member and candidate countries over the period 1995-2007. The Panzar and Rosse (1987) model is implemented on bank level data. In particular, the unscaled revenue equation is employed to assess market structure. Country specific empirical results suggest a wide variation in the competitive conditions of the banking systems in the sampled countries. Nineteen banking systems are characterized as monopolistically competitive, nine as monopoly or perfectly colluding oligopoly, and two as perfectly competitive over the sample period. This study also investigates whether competition conditions changed over the sample period, using 2001 as an endogenously determined break year. The empirical evidence reveals that banking systems became less competitive after this point in time.

Kasman, Adnan, Tunc, Gökçe, Vardar, Gülin and Okan, Berna (2010). Consolidation and commercial bank net interest margins: Evidence from the old and new European Union members and candidate countries. *Economic Modelling*, 27(3), 648-655.

This paper examines the effects of financial reforms on the determinants of commercial bank net interest margin in the banking systems of the new EU member countries and candidate countries by dividing the sample period (1995-2006) into two sub-periods: Consolidation period (1995-2000) and post-consolidation period (2001-2006). The paper also compares the new and old EU members to check whether differences with respect to the determinants of net interest margins between these two groups of countries exist within the same time period. The results indicate that size and managerial efficiency are negatively and significantly related to net interest margins in two sub-periods. Regulators should promote merger and acquisition and market entry in order to increase scale and efficiency of banks operating in the sector.

Exploitation of the scale economies seems to be important in decreasing interest rate spread in the sampled banking sectors. The results further indicate that all macroeconomic variables are statistically insignificant in the second sub-period, suggesting that differences in macroeconomic fundamentals have decreased among the sampled countries due to the increased convergence process in recent years. As for the comparison of the new and old EU members, the results suggest that the financial and economic convergence between the new and old members has not been completed. Macroeconomic differences within the group and between the groups still exist.

Kasman, Saadet, Kasman, Adnan and Ayhan, Duygu (2010). Testing the purchasing power parity hypothesis for the new member and candidate countries of the European Union: evidence from Lagrange multiplier unit root tests with structural breaks. *Emerging Markets Finance and Trade*, 46(2), 53-65.

This paper investigates the validity of purchasing power parity (PPP) for the eleven Central and Eastern European transition countries and three market economy countries, Cyprus, Malta, and Turkey. Unlike the previous studies on PPP, this study uses the Lagrange Multiplier (LM) unit root tests that incorporate structural breaks in the data series. The findings indicate that in case of the one and two structural breaks, for the USD-based real exchange rates series there is little evidence supporting the validity of PPP. For the DM-based real exchange rate series, for both one and two breaks case, there is evidence of stationarity of real exchange rates for eight sample countries, which is consistent with PPP. The results also indicate that the estimated half-life of a shock to the real exchange rate is ranging from 1.25 (15.05 months) to 2.72 (32.72 months) years across countries. The empirical findings may provide direction for policy makers to coordinate the monetary policies for the process of European monetary integration.

Turgutlu, Evrim (2010). Cyclical behavior of price-cost margins in the Turkish banking industry. *Economic Modelling*, 27(1), 368-374.

Using a dynamic panel data framework, the cyclical behavior of the banks' price-cost margins in Turkey over the period 2002Q1–2008Q2 is analyzed. The findings provide evidence towards countercyclical behavior of the margins. This is important for the Turkish economy since the countercyclicality of banks' Margins may deepen the contraction by constraining the credit opportunities over economic downturn periods. Furthermore, the control variables, monetary policy, market structure and financial deepening of the economy indicate significant effect on the price-cost margins of the banks. The findings also serve as evidence towards the “financial accelerator” mechanism in Turkish economy over the sample period.

Turgutlu, Evrim and Üçer, Burcu (2010). Is global diversification rational? Evidence from emerging equity markets through mixed copula approach. *Applied Economics*, (42), 647-658.

In this article, we aim to model the level and structure of the dependence between the world's leading stock markets and those of the emerging market groups – Europe, Latin America and Far East. To this end we use a mixture model of Gaussian, Gumbel and Gumbel survival copulas. Our results indicate that none of the pairs of stock markets exhibit a right-tail dependence structure. All valid models exhibit a mixture of Gaussian and left-tail dependence structure. Our findings imply that Gaussian dependence structure is dominant in most of the models. The emerging equity markets in the European region exhibit the most significant dependence structure with the world leaders. Furthermore, most of the emerging equity markets have a significant dependence structure with the US stock market. We further compare our findings with the results of the conventional correlation coefficients and conclude the importance of using copula models in analysing the portfolio diversification opportunities. Our findings overall indicate two important remarks: First, the copula models reveal better indicators for global investors to establish a diversified portfolio; Second, international equity markets exhibit significant dependence, which leaves a smaller opportunity to benefit from international portfolio diversification.

Üçdoğruk, Yeşim (2010). Modelling R&D investment decision of ISE listed firms: A sample selection approach. *İktisat, İşletme ve Finans*, 25(289), 29-45.

There are a large number of studies on the drivers of R&D investment, only a few of them deal with “selection bias” problem resulting from performers not being a random sample from the population of firms. As, most of the firms especially in developing countries like Turkey, do not invest in R&D due to market failures and underdeveloped financial markets, support policies that induce them to overcome this first obstacle also play a critical role. This paper studies the drivers of R&D activities in non-financial firms listed at Istanbul Stock Exchange by using a panel data at the establishment level for the 1998-2007 period. Our findings suggest that although SMEs are less likely to conduct R&D, they spend proportionally more on R&D than the LSEs do. Moreover, public support has a strong effect in raising R&D intensity of R&D performers.

Akgüngör, Sedef, Gülcan, Yaprak and Kuştepe, Yeşim (2011). Knowledge generation and innovativeness in Turkish textile industry: Comparison of Istanbul and Denizli. *European Planning Studies*, 19(7), 1229-1243.

Regional innovation system (RIS) requires that two subsystems co-exist in a region: The first subsystem is the knowledge exploitation structure of the industrial base (symbolic, synthetic and analytic knowledge bases) [Moodysson, J., Coenen, L. & Asheim, B. (2008) Explaining spatial patterns of innovation: Analytical and synthetic modes of knowledge creation in the Medicon Valley life science cluster, *Environment and Planning A*, 40(5), pp. 1040–1056]. The second subsystem is the regional supportive infrastructure or knowledge-generating subsystem which consists of firms, educational institutions, knowledge organizations and other similar infrastructural bases in the region. The objective of the paper is to compare two textile-related clusters in Turkey with respect to the strengths and weaknesses of the RIS. The first region is Istanbul with a textile and fashion design cluster, the second region is Denizli which is an example of a traditional export-oriented centre for bathrobe and home textiles. Results of the empirical findings prove that the two regions having different knowledge bases and RISs have different deficiencies in innovative performance even if they are the subsectors of the same sector (textiles).

Akgüngör, Sedef, Gülcan, Yaprak, Kuştepe, Yeşim, Aldemir, M. Ceyhan and Vahap Tecim (2011). The effect of railway expansion on population in Turkey: 1856-2000. *Journal of Interdisciplinary History*, 42(1), 135-157.

Railway infrastructure is crucial to socioeconomic development; it helps to lower costs, increase productivity and output, reduce unemployment, and support trade. The results of the analysis herein indicate that the spread of railway construction caused an increase in population distribution and the density of towns along the railway routes. This effect is most pronounced before 1940, when railway construction was at its peak. After 1940, particularly after the 1970s, policies favoring road transport severely dampened the impact of railways on population spread. Further research is underway by the authors to explore the extent to which the growth of roads and highways accelerated population dispersion throughout the country. The findings of this new research will be expanded through an exploration of the relationship between the spread of economic activity—such as agricultural production, agricultural trade, industry growth, and employment—and the transportation network (road and rail).

Apak, Sudi, Kasman, Adnan, Bal, Pınar and Torun, Erdost (2011). Estimating time-varying conditional correlations between economic growth and carbon dioxide emissions volume. *Journal of Environmental Protection and Ecology*, 12(4), 1601-1607.

There has been extensive research on the historical relationship between economic growth and carbon dioxide emissions. Presently, it can be assumed that the high carbon dioxide emission volume in the world is the result of economic growth. However, increasing awareness about environmental problems resulted from the new realities of the world, such as climate change; emphasize the importance of a low carbon economy. Under these new circumstances, many countries have already started to work for the transition to a low carbon economy. Hence, carbon dioxide emissions have started to decelerate despite accelerating economic growth. In this paper, the Dynamic Conditional Correlations (DCC) model is used to estimate time-varying conditional correlations between economic growth and carbon dioxide emissions volume. The

empirical results indicate that two variables are positively and highly correlated until 1970s. The results also indicate that volatility in correlation over the period 1800-1970 is low. The results further indicate that the correlation between economic growth and carbon dioxide emissions volume is highly volatile during the period 1970-2006. There seems to be a downward trend in correlation between two variables in this period.

Brown, Lorraine and Aktas, Gurhan (2011). Fear of unknown: A pre-departure qualitative study of Turkish international students. *British Journal of Guidance and Counselling*, 39(4), 339-355.

This paper presents findings from 11 in-depth interviews with Turkish undergraduate students, who were, by the time of data collection, about to spend a semester at a European university under the Erasmus exchange scheme. The students all agreed to be interviewed about their feelings about studying in a foreign culture, and were found to be anxious prior to departure about the quality of accommodation in the new destination, their language ability and the opportunity to form friendships. Fears were expressed about possible misconceptions over Turkey as a Muslim and a developing country. Suggestions are made for HEI interventions to allay student travellers' concerns.

Kasman, Adnan, Kasman, Saadet and Turgutlu, Evrim (2011). Testing profit and structure relationship in the European banking markets using efficiency measures, developing economies, 49(4), 404 – 428.

This paper investigates the profit-structure relationship in the banking industries of the European member and candidate countries, using the reduced-form profit equation for the period 1995-2006. The results suggest that the inclusion of X-efficiency and scale efficiency directly in the reduced-form profit equation is crucial in explaining the bank profit-structure relationship in the European banking markets. When direct measures of efficiency are controlled in the models, the market share and concentration coefficients become insignificant in all regressions. Hence, the results support the efficiency versions of the efficient-structure hypothesis over the relative market power and structure-conduct-performance hypothesis.

Kasman, Saadet and Kasman, Adnan (2011). Efficiency, productivity and stock performance: Evidence from the Turkish banking sector. *Panaeconomicus*, 58(3), 355-372.

This paper investigates the link between stock performance of the listed commercial banks in the Turkish stock exchange and three measures of bank performance, such as technical efficiency, scale efficiency and productivity for the period 1998-2008. The relationship between efficiency and stock returns is investigated by running a regression of stock returns on measures of performance and some bank specific variables. The results indicate that the changes in three measures of performance have positive and significant effect on stock returns, suggesting that stocks of technical efficient, scale efficient and productive banks tend to outperform their inefficient and unproductive rivals.

Kasman, Saadet, Vardar, Gülin and Tunç, Gökçe (2011). The impact of interest rate and exchange rate volatility on banks' stock returns and volatility: Evidence from Turkey. *Economic Modelling*, 28(3), 1328-1334.

This paper investigates the effects of interest rate and foreign exchange rate changes on Turkish banks' stock returns using the OLS and GARCH estimation models. The results suggest that interest rate and exchange rate changes have a negative and significant impact on the conditional bank stock return. Also, bank stock return sensitivities are found to be stronger for market return than interest rates and exchange rates, implying that market return plays an important role in determining the dynamics of conditional return of bank stocks. The results further indicate that interest rate and exchange rate volatility are the major determinants of the conditional bank stock return volatility.

Pırnar, İge and Günlü, Ebru (2011). Destination management and quality-of-life. in *Handbook of Tourism and Quality-of-Life (QOL) Research: The Missing Links* Edited by: Uysal, Muzaffer, Perdue, Richard R. and Sirgy, M. Joseph published by Springer Inc.: 529-545.

Tourism is a very popular activity worldwide since it offers numerous opportunities to color up the tiring and boring lives of the human beings. It has been very hard to catch up with work, family, and social life since most of the people have to work due to economical burdens and the problems that arise day to day. The problems and the burdens urge people to take care of their health and level of stress so that tourism seems to be one of the most effective tools to keep away from the daily conflicts. This popular rise also brought new concepts and definitions to the literature which underlines the importance of life in terms of “quality” such as quality-of-life. However, it is evident that the interest of individuals in tourism caught the interests of the entrepreneurs, the interest of entrepreneurs accelerated the rivalry, and the rivalry brought the challenging and severe competition in several tourism destinations. This competitiveness not only caused a high increase in terms of revenues and infrastructural developments in destinations but also it caused remaining negative effects which seemed to be affecting the quality-of-life. This chapter highlights the interaction between the competitiveness of the tourism destinations and the quality-of-life. The importance of destination management and marketing are also underlined with regard to close relationship between these two phenomena.

Turgutlu, Evrim (2011). Türk bankacılık sektöründe rekabetin imalat sanayi piyasa yapısı dinamikleri üzerindeki etkileri (Effects of competition in Turkish Banking sector on the market structure dynamics of the manufacturing industry). *İktisat, İşletme ve Finans*, 26(298), 67-93. (in Turkish)

This study investigates the effect of banking sector competition on the market structure dynamics of the manufacturing industry, on which a consensus has not been established yet in the related literature. The study focuses on the Turkish case and covers the period of 1988-2001. The market structure dynamics of manufacturing industry are represented by average firm size and number of establishments. The external finance dependence of each sector has been taken into account. The model controls for financial development, share of foreign banks, value added share of each sector to represent their life cycle stages and economic crises as well as the concentration in the banking sector. Overall, the results obtained from the fixed effects models indicate that concentration in the Turkish banking sector has resulted in new entries and establishment of a more competitive environment in the manufacturing industry over the sample period.

Uludağ, Berna K. and Gökmen, Habil (2011). Türk bankacılık sektörünün karlılığının dinamik yaklaşımla test edilmesi (Testing the profitability of Turkish banking industry with dynamic approach), *İktisat İşletme ve Finans*, 26(308), 71-98. DOI: 10.3848/iif.2011.308.3191 (in Turkish)

The aim of this study is to find out the determinants of profitability of Turkish banking industry from 1999 through 2009. Since the data set was in the form of cross sectional and time series, dynamic GMM model was applied in addition to fixed and random effects methods. Findings show that banks with small size and low equity have high profitability. Further, foreign banks have the highest personnel efficiency and these results in high profitability. There is a positive and significant relationship between inflation and bank profitability. Furthermore, the profitability of banks increases in parallel with the economic growth rate. Findings of dynamic GMM model show a positive relationship between bank profitability and the first-differenced lagged profits. However, there is a negative relationship between profitability and second-differenced lagged profits. This result implies that Turkish banks have volatile profitability and the realized profits are not stable over time.

Aykol, Bilge, Leonidou, Leonidas C. and Zeriti, Athina (2012). Setting the theoretical foundations of importing research: Past evaluation and future perspectives. *Journal of International Marketing*, 20(2), 1-24.

Although prior efforts have been made to review research on importing, an updated, integrated, and chronological assessment of its theoretical evolution is lacking. This study critically investigates the theoretical foundations of importing research using a comprehensive review of 321 importing-related articles published during the 1960–2010 period. The analysis reveals that, although in general this research adopts a certain theoretical perspective, a notable part of it is not theoretically anchored. Of those studies

that rely on theories, the most commonly used are the neoclassical microeconomic model, the behavioral model, and transaction cost economics. These theories were mainly associated with international buying behavior, importer–exporter relationships, and strategic aspects of importing. The study also identifies a range of other important topics that could be investigated using extant theories. In addition, the authors propose several other theories not previously employed, such as the institutional, stakeholder, and resource dependence theories, to be used in the study of new research issues. Finally, the authors suggest several actions toward theory advancement, including the need to integrate multiple theoretical paradigms, adjust theory to different environments, combine quantitative and qualitative inputs, cross-fertilize ideas from various disciplines, and periodically assess developments in the importing literature.

Çepel, Zühal Ünalp (2012). An analysis of state-civil society relations in Finland: A case of Joensuu. *International Journal of Voluntary and Nonprofit Organizations*, 23(2), 328-349.

Theoretical researches have argued that state–civil society relations differ from one country to another because of different economic, political, and socio-cultural factors. This article aims to show civil society’s role in the Finnish welfare state and how the state and the civil society affect each other in Joensuu, a 72,167 populated Finnish city. Joensuu case is analyzed from the theoretical perspectives of Esping-Andersen (The three worlds of welfare capitalism, 1990), Young (Nonprofit Volunt Sector Q 29:149–172, 2000), and Schofer and Fourcade-Gourinchas (Am Sociol Rev 66: 806–828, 2001) by taking into account interviews with 13 members of voluntary organizations in the city. In the light of the field work, the argument is based on the negative impact of welfare system’s transformation process on nongovernmental organizations in Joensuu, Finland.

Durukan, Banu, Ozkan, Serdar and Dalkilic, Fatih (2012). CEO turnover and corporate performance relationship in pre- and post- IFRS period: Evidence from Turkey. *Journal of Business Economics and Management* 13(3), 421–442.

This study investigates CEO turnover and corporate performance relationship as a measure of the effectiveness of a corporate governance system. The impact of different financial accounting regimes on the turnover / performance relationship is also analyzed. If systems replace poorly performing managers, they are considered as not ineffective. The results provide evidence that corporate governance systems with poor governance characteristics may not be ineffective, due to the existence of alternative governance mechanisms. The disciplinary CEO turnover is found to be more strongly associated with corporate performance compared to voluntary CEO turnover, whereas in the IFRS subsample the relationship is stronger with contemporaneous performance measures.

Kurt, Sumeyra Duman and Atrek, Banu (2012). The classification and importance of E-S-Qual quality attributes: An evaluation of online shoppers. *Managing Service Quality*, 22(6), 662-637.

The purpose of this study is to classify and assess the importance levels of the quality attributes of E-S-QUAL measurement scale in the aim of focusing on the most important attributes to improve. E-S-QUAL measurement scale is classified according to Kano’s Model. Besides, the relative importance levels of the E-S-QUAL quality attributes are revealed via Analytical Hierarchy Process (AHP). The data of the study was gathered through a questionnaire, which consisted of four parts and was applied to 202 online shoppers in Izmir/Turkey. Almost all of the quality attributes are placed under one-dimensional category. Privacy dimension is found to be a high value-added attribute, whereas the least important attributes are found to be within efficiency dimension. None of the quality attributes of E-S-QUAL are regarded as attractive attributes. This study is expected to attract the attention of practitioners on the most important quality attributes that affect customer satisfaction, which will help them reduce the time-consuming and heavy efforts on improving the e-service quality attributes that would not matter to the customers. The authors hold that the proposed evaluation of e-service quality measurement scales in general, provides an effective and operational procedure to assess customer perception toward the quality of online service. So that firms can achieve higher levels of customer satisfaction through increasing the level of quality of their online services.

Kuştepelı, Yeşım, Gülcan, Yaprak and Akgüngör, Sedef (2012). Transportation infrastructure investment, growth and international trade. *Applied Economics*, 44(20), 2619-2629.

Investment in transportation infrastructure facilitate the movement of the goods; leading to higher standards of living for the people of the whole globe. Although infrastructure is indispensable to achieve the main development targets in developing countries, such as urbanization, industrialization and sustainable economic development (Kim, 2006), the relationship between infrastructure expenditures, economic growth and international trade is inconclusive. The aim of this study is to investigate the effect of investment on highway infrastructure on international trade and economic growth in Turkey for the period of 1970 to 2005. The empirical results from causality and cointegration analysis suggest only a very weak short run effect of share of exports in Gross National Product (GNP) on highway transportation expenditures but no long run relationships between highway infrastructure expenditures, economic growth and international trade in Turkey.

Mandacı, Pınar Evrim and Çağlı, Efe Çağlar (2012). Relationships between the US and European stock markets during the recent financial turmoil: evidence from the VARFIMA model. *Applied Economics Letters*, 19(17), 1697-1701.

This article examines the impacts of the US stock market on some selected European stock markets with different development levels. We employ the Vector Fractionally Integrated Autoregressive Moving Average (VARFIMA) model to examine the linkages between these stock markets and impulse response test to evaluate the persistence of shocks by using daily data from 2005 to 2012 including the recent financial turmoil. We do not observe any diversification benefit by investing in European stock markets, regardless of their development level, for the global investors.

Özdağođlu, Aşkın (2012). A multi-criteria decision-making methodology on the selection of facility location: Fuzzy ANP. *International Journal of Advanced Manufacturing Technology*, 5-8(59), 787-803.

Analytical ways to reach the best decisions are the most preferable issues in many business platforms. During the decision processes, besides the measurable variables, there exist qualitative variables, especially if the decision is based on a selection problem. Analytic hierarchy process (AHP) and analytic network process (ANP) are two of the best ways to decide among the complex criteria structure in different levels using qualitative variables. When there are interactions between the criteria in different levels of the hierarchy, then AHP cannot be used because of their one-way direction of hierarchy; the ANP has been developed for this kind of need. In this study, a fuzzy ANP method is developed for a multi-criteria facility location selection problem where the criteria set includes interactions with each other on the hierarchy structure. Besides the fuzzy ANP model development and implementation on facility location, sensitivity analysis was also originally performed to indicate the upper and lower bounds for the importance levels of alternative locations.

Ozgen, Ozgen and Kurt, Sumeyra Duman (2012). Pre-recovery and post-recovery emotions in the service context: a preliminary study. *Managing Service Quality*, 22(6), 592-605.

The purpose of this study is to analyze the mediating role of pre-recovery emotions on the relationship between severity of service failure and post-recovery positive and negative emotions and to examine the mediating role of justice perceptions on the interaction between pre-recovery and post-recovery emotions. Quantitative data were collected in the form of questionnaire which was applied to 238 respondents. The respondents include the consumers who experienced a service failure followed by a service recovery. In this study, post-recovery positive and negative emotions were dependent variables whereas severity of service failure, pre-recovery emotions and three dimensions of justice perceptions were the other main variables. In line with this purpose, eight hypotheses aiming to clarify the relations among these variables were tested using correlation and hierarchical regression analysis. The results suggest that post-recovery negative emotions were affected by pre-recovery emotions with the mediating role of distributive justice

perceptions. The findings of this research reveal that dealing successfully with pre-recovery emotions and integrating these emotions with favorable distributive justice perceptions have critical importance in mitigating the post-recovery negative emotions. During service recovery, service providers must concentrate on positive and negative emotions concurrently. Besides, managers also have to take pre-recovery emotions into consideration and exert a special effort on distributive justice in order to decrease the intensity of post-recovery negative emotions. Selection of recovery types, the effects of these on distributive justice perception and responding promptly to prevent pre-recovery negative emotions are critically important for service providers. This study differs by focusing on pre-recovery and post-recovery emotions within a holistic view, which recommends the service providers an alternative perspective for being more proactive.

Şimşek, Ömer Faruk, Günlü, Ebru and Erkuş, Ahmet (2012). Occupation as a personal project system: Application of the ontological well-being concept to workplace. *Journal of Happiness Studies*, 13(2), 203-223.

In this research, factor structure of the Occupational Project Scale (OPS) was investigated to determine whether the four-factor structure (e.g., regret, activation, nothingness, and hope) obtained from the research by O. F. Simsek and E. Kocayoruk (2010, Unpublished manuscript) would be validated in the context of workplace. Additional relationships between this new construct and personality, general affect, and job satisfaction were then computed for construct validity. The second aim of the present research was to provide support that the evaluations of occupational projects mediate the relationships between general affect, affect in the workplace, and job satisfaction. Consequently, structural relations among the constructs were tested using structural equation modeling. The results confirmed the four-factor structure and showed that this construct mediated the relationship between affect variables (general mood and affect in the workplace) and job satisfaction. The results are discussed in the context of career counseling.

Altınay, Levent, Brookes, Maureen and Aktas, Gurhan (2013). Selecting franchise partners: Tourism franchisee approaches, processes and criteria. *Tourism Management*, 37, 176-185.

This paper identifies and evaluates the partner selection approaches, processes and criteria use by tourism franchisees to select their franchisor partners. A qualitative study of a sample of Turkish franchisees identifies the partner selection criteria and two distinct approaches used to select franchisor partners. The study contributes to our understanding of franchisee partner selection by demonstrating how the selection criteria, approaches and processes impact on franchisee satisfaction post contract signature. In addition, a framework that depicts the relationship between the criteria, approaches and processes is developed from the study. The study yields a number of implications particularly for prospective franchisees interested in joining a franchise network.

Aykol, Bilge, Palihawadana, Dayananda and Leonidou, Leonidas C. (2013). Research on the import activities of firms 1960 - 2010: Review, assessment, and future directions. *Management International Review*, 53(2), 215-250.

The article presents the findings of a comprehensive review of 321 import-related articles published in business journals and books during the period 1960–2010. Using a content analysis, the articles were assessed on four dimensions referring to the research design, scope of research, research methodology, and key thematic areas addressed. The assessment revealed that this body of research has advanced over time from an exploratory and descriptive phase into one that is characterized by greater maturity and sophistication. Based on input extracted from the articles reviewed, as well as from a survey conducted among prolific scholars in the field, various theoretical, methodological, and other guidelines for future research are provided.

Assiouras, Ioannis, Ozgen, Ozge and Skourtis, George (2013). The impact of corporate social responsibility in food industry in product-harm crises. *British Food Journal*, 115(1), 108-123.

The first purpose of this study is to analyse the impact of prior CSR information on the perceived degree of danger, attribution of blame, brand evaluation and buying intentions after a product-harm crisis in the food industry. The second purpose is to examine the moderation effect of CSR importance ascribed by the consumers on the above mentioned relations. An experimental design consisting of three between-subjects conditions was applied and three CSR initiative conditions were selected (positive, negative CSR and no CSR information as a control condition). In this framework, three different scenarios were designed and tested under the condition of a product-harm crisis related to margarine. This study highlights that CSR has an impact on attribution of blame, brand evaluation and buying intention but not on the perceived degree of danger. CSR importance has a moderation effect on the relationship between CSR and blame attribution, brand evaluation and buying intention. Companies in the food industry should generate CSR strategies and should develop favourable CSR history not only because CSR has an impact on brand evaluation and buying intention in routine situations but because it is a part of crisis management and response strategy as well. There is lack of research directly emphasizing the role of CSR in product-harm crises, in the food industry. Besides, the assessment of CSR as an antecedent assurance factor in crisis situations has significant meaning due to the high vulnerability of food industry.

Çağlı, Efe Çağlar and Mandacı, Pınar Evrim (2013). The long-run relationship between the spot and futures markets under multiple regime-shifts: Evidence from Turkish derivatives exchange. *Expert Systems with Applications*, 40(10), 4206-4212.

The paper examines the long-run relationships between the spot and future prices of Istanbul Stock Exchange 30 index (ISE-30) and foreign currencies including the Turkish Lira-US Dollar (TL/USD) and Turkish Lira-Euro (TL/EUR). We analyze the weekly data covering the period from February 9, 2005 to October 17, 2012. Considering structural breaks is important for our analysis since our period consists of recent financial crisis. Therefore, we employ the unit root tests developed by Carrion-i-Silvestre et al. (2009) and the Maki's (2012) cointegration test allowing for an unknown number of breaks. We find that spot and the futures prices are cointegrated in the long-run after we consider structural breaks in our data. Our results indicate that the markets are efficient.

Eisenberger, Robert, Krischer Shoss, Mindy, Karagonlar, Gökhan, Gonzalez-Morales, M. Gloria, Wickham, Robert E. and Buffardi, Louis C. (2013). The supervisor POS – LMX – subordinate POS chain: Moderation by reciprocation wariness and supervisor's organizational embodiment. *Journal of Organizational Behavior*, (online early view). Doi: 10.1002/job.1877

We present three studies providing an increased understanding of the interdependence between perceived organizational support (POS) and leader-member exchange (LMX). Using employees from a social service agency and new hires from a variety of organizations, we report evidence for a relational chain leading from supervisors' perceptions of support by the organization (supervisor POS) to the formation of high-quality LMX relationships with their subordinates (first link), who interpret high-quality LMX as support from the organization (subordinate POS, second link) and, ultimately, repay the organization with increased dedication and effort (examined here in terms of reduced withdrawal behavior). The relationship between supervisor POS and LMX with subordinates was strongly moderated by supervisor fear of exploitation in exchange relationships (reciprocation wariness), holding only for supervisors with low reciprocation wariness. Consistent with the view that employees perceive the organization as partly responsible for treatment received from supervisors, LMX was found to be more strongly related to POS when employees highly identified their supervisors with the organization (supervisor's organizational embodiment), and this interaction extended to reduced withdrawal behavior.

Halaç, Umut, Taşkın, Fatma Dilvin and Çağlı, Efe Çağlar (2013). The Turkish stock market integration with oil prices: Cointegration analysis with unknown regime shifts. *Panoeconomicus*, 60(4), 499-513.

Oil prices are often considered as a vital economic factor due to the dependence of the world economy on oil. The goal of this paper is to contribute to the literature on the dynamic relationship between oil prices and stock prices under the presence of possible structural breaks in an emerging market, Turkey. The empirical evidence suggests that the oil prices are important in explaining the stock market movements.

Stock prices, oil prices and nominal exchange rates are found as cointegrated after taking structural breaks into account. Moreover, results of parameter stability test are consistent with our findings indicating that relationship between series is strong in the long-run. The results are important in the way that they show the global factors are also dominant on the Turkish stock market.

Karagonlar, Gökhan and Kuhlman, David M. (2013). The role of social value orientation in response to an unfair offer in the ultimatum game. *Organizational Behavior and Human Decision Processes*, 120(2), 228-239.

Two studies examined the influence of Social Value Orientation (SVO) on the decision to accept or reject an unfair offer in the Ultimatum Game (UG). In both studies, participants with different SVOs (Prosocials, Individualists and Competitors), measured about 3 weeks prior to the UG, responded to an offer of “\$8 for Proposer, \$2 for Participant”, believing it came from a human Proposer. In both studies Prosocials accepted the offer more frequently than Individualists and Competitors, who did not differ. Further, we found that SVO differences in positive emotions in response to the offer (Study 1), and positive cognitions toward the offer and the proposer (Study 2) underlie the SVO effect on UG decision, suggesting a role for SVO differences in the utilization of emotion regulation strategies. Implications of the present findings for “altruistic punishment” and “emotions/self-regulation” accounts as motivators of UG decisions are discussed.

Kasman, Adnan and Carvallo, Oscar (2013). Efficiency and risk in latin american banking: Explaining resilience. *Emerging Markets Finance and Trade*, 49(2), 105-130.

Using an unbalanced panel of 272 commercial banks, we estimate cost and revenue efficiency scores for fifteen Latin American and Caribbean countries over the period 2001-2008. Using Granger causality techniques, we find evidence that in the face of increased risk and lowered capital, banks have tended to improve cost efficiency. The results also indicate that cost efficiency is negatively related with revenue efficiency, both dynamically and across countries. Market concentration is related to greater revenue efficiency. In the absence of developed capital markets, competitive forces and strengthened regulation seem to be forcing cost efficiency improvements. Banks with market power, however, seem to be able to pass on to customer the cost of raising capital buffers and provisioning for risk.

Kasman, Adnan and Kasman, Saadet (2013). The dynamic relationship between earnings volatility, concentration, stability and size in the Turkish banking sector. *Applied Economics Letters*, 20(10), 1187 – 1192.

This paper investigates causal relationship between earnings volatility, concentration, stability and bank size in the Turkish banking sector for the period 2002-2011. A relatively new empirical methodology, dynamic panel Granger-causality test, is used to analyze the causal relationship between these variables. The empirical result shows that bank size and concentration negatively Granger cause earnings volatility, suggesting that larger banks and more concentrated banking market decrease earnings volatility. Moreover, the result also indicates that concentration in the banking sector increases bank stability and supports the “concentration-stability” hypothesis.

Özdağoğlu, Guzin, Erdem, Sabri and Salum, Latif (2013). A special purpose multi-criteria heuristic function for a single machine scheduling problem with forward dynamic programming. *International Journal of Advanced Manufacturing Technology*, (DOI: 00170-013-4984-z)

Sequencing is one of the major research areas in increasing manufacturing productivity. In case of multiple items to be manufactured using multiple processes, complex sequencing may also be considered as a queuing problem where the products are processed with respect to the priorities which can be developed by static and dynamic fashion depending on nature of the problem. In this paper, a dynamic priority approach is incorporated for a group-based single machine scheduling problem using multi-criteria decisionmaking technique regarding setup times and machine utilization. After running the model,

sequences of groups are obtained and schedule is developed with respect to priorities. Results are satisfactory as compared to random process and existing implementation within the company.

Mandacı, Pınar Evrim, Aktan, Bora and Çağlı, Efe Çağlar (Forthcoming). Co-movements of REIT indices with structural changes before and during the subprime mortgage crisis. *International Journal of Strategic Property Management*.

This paper examines the long-run relationships between the REIT indices of the UK, Turkey and Israel in the Euro-Med zone with that of MSCI US REIT Index by using weekly data over the period 2003Q3 through 2009Q3, which includes the latest US subprime mortgage crisis and its effects on global stock markets. Although our EG test results do not indicate a long-run relationship, after taking account of the structural changes by applying the GH test, we find a long-run interaction between the REIT indices of UK and Israel with that of the US. However, our results indicate the lack of co-movement between REIT index of Turkey with the US. In addition, our dynamic OLS test results indicate a perfect relationship between the UK and the US indices. Our findings show that international investors who make long-term investments can only gain from diversifying into the real estate market of Turkey among the involved markets in the Euro-Med zone.