

## **The Significance of Research and Development and Innovation on Regional Development: A Comparative Analysis**

**Nihat Işık**  
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### **Abstract**

Concerning regional development, countries had started to a new model research and there has been some studies which is innovation and information are evaluated as foremost elements of development. Recently, instead of generalized production factors such as labor and capital, there has been an intellectual transformation that information has placed more importantly and intensely in the production process. Scale of development in terms of a country it is closely related to science and technology. At this point the ratio of Research and Development (R&D) expenditures in the Gross Domestic Product (GDP) is crucial. In fact it is accepted as an important scale of development if that ratio is more than 2%. According to the Organization for Economic Co-operation and Development (OECD) report named "Basic Science and Technology Indicators 2009/2" OECD countries' average on R&D expenditures in 2008 is approximately 30 billion dollars and average of the European Union (EU) is 10 billion dollars. For Turkey this amount reached to 7 billion dollars which is under the averages of OECD and the EU. In the 2009-2010 Global Competitiveness Report which prepared by World Economic Forum, Turkey ranks the 69th place in the world in terms of innovation indicator but USA, Germany, Korea, Japan, Singapore, China have higher ranks.

**Key Words:** Regional Development, Innovation, Research and Development, Türkiye.  
**JEL Classification:** R58, O31, O32.

## **Market, Capitalism and Development: Development Theory in the Light of Braudel**

**N. Tolga Tuncer**

### **Abstract**

In "Civilisation and Capitalism" Fernand Braudel made one of the most comprehensive analysis of all times on the emergence of capitalism. Yet, he did not explicitly discuss the relevance of his analysis to the efforts to "build" capitalism. Starting with the assumption that Braudel's work has important implications for development efforts, this work tries to figure out those implications for contemporary development efforts. While doing this, we take the "Developmental State Theory" as reference point which we believe to have a considerable explanatory power on the deliberative and succesful efforts of catching-up in the post-war era.

**Keywords:** Fernand Braudel, Market Economy, Capitalism, State, Developmental State Theory

***The Affect of Foreign Direct Invesment on the Employment And Economic Growth: The Case Of Turkey (1980-2010)***

**Aykut Ekinci**

**Abstract**

*In this study, for determining the relationship among foreign direct investment, economic growth and employment, we used the datum between 1980-2010 from Turkey. The used variables were tested and results were evaluated. Also, Granger causality test was used to determine the relation between foreign direct investment and economic growth. As a result, eventhough a long term relation between foreign direct investment and economic growth is found, there is no relation between foreign direct investment and employment. On the other hand, there is a two-way causality between foreign direct investment and economic growth.*

**Keywords:** *Foreign direct invesment, Economic growth, Employment, ADF unit root test, Cointegration Analysis, Vector Error Correction Model, Granger causality.*

***Determinants of Productive Investment through Migrants' Remittances in Rural Central Asia***

***Halil Kürşad Aslan***

***Abstract***

*This article, which is based on original data and field work, presents a comparative study of the remittance earnings and the developmental impacts on the sending regions of Kyrgyzstan and Uzbekistan in light of rational and social institutionalism. Relatively less productive investments were seen associated with remittances, and there were a large share of consumptive investments out of remittances in both cases. I contend that path dependent social environment plays a greater role in potential migrants' decision-making and potential developmental outcomes than dominant theories suggest. Thus, while designing new state institutions reformers should take into consideration stubborn legacy of the Soviet era policies and their shadow in the minds and behaviors of individuals as well as social and political institutions.*

***Key Words:*** *Remittance, Development, Central Asia, New Institutionalism*

## ***Relationships between Working Capital Policies and Firm Performance for Manufacturing Companies***

**Osman Şahin**

### **Abstract**

*The purpose of the paper is to study relationship between working capital policies and firm performance with crises effects for manufacturing companies. Data required for analysis were obtained from the Istanbul Stock Exchange Market in Turkey for the period 2005-2010. The author measured relationship between variables of firms using the panel data analysis. Two working capital policies ratios: Current assets/total assets and short term debts/total assets ratio were used as proxies. The results obtained using panel data analysis support a negative relationship between profitability measures and aggressive working capital investment and financing policies in times of crisis and normal economic circumstances. It would be helpful to use conservative working capital investment and financing policies in order to increase the performance of manufacturing companies in Turkey.*

**Key words:** *Manufacturing companies, working capital policies, firm performance, Istanbul Stock Exchange Market (ISE), panel data analysis.*

## ***The Global Crisis and Reflections at Turkish Banking Sector***

***Muharrem Afsar***

### **Abstract**

*The financial crisis that began in August 2007 and intensified in the fall of 2008 pushed the global economy into a severe downturn that some have called the Great Recession. The purpose of this study is to analyze the effects of global crisis on the Turkish banking sector. In summary, this study shows that even though many developed country banks bankrupted from the adverse affects of global financial crisis, the Turkish banking sector was not affected from the latest global crisis.*

**Keywords:** *Global crisis, banking sector.*

## ***Economic Activity and Unemployment Dynamics in Turkey***

**Ahmet Tiryaki**  
**Havva Nesrin Özkan**

### **Abstract**

*Stylized Business Cycle facts show that employment is highly procyclical and unemployment is highly countercyclical with the aggregate economic activity. Also, Okun's law indicates a negative relationship with between economic growth and unemployment rate. This paper's goal is to find out what causes high unemployment and what is the relationship between economic growth and unemployment in Turkey. It aims to show not only the relationship between cyclical output and unemployment, but also how the changes in GDP gap affect the unemployment. Further, it analyzes whether the relationship between GDP gap and Unemployment is symmetric. The results of the Granger causality test indicate that there is a unidirectional causality from GDP gap to Unemployment. Also, impulse response and Variance decompositions show that following the crises, although there is a strong and quick recovery in economic activity, but same recovery is not seen in employment and in the reduction of unemployment rate. This can be seen as a typical indication of "jobless growth" phenomena. The paper also discusses the micro and macro policy measures for reducing unemployment.*

**Keywords:** *Okun's law, unemployment, output, productivity, Turkey.*

**Abstract**

*With the collapse of the Bretton Woods System in 1971, a new era has started in exchange rate predictions. In this era prediction of exchange rates, which is crucial in economic decision processes, became a major research topic. In this study alternative methods are explored to predict exchange values through Artificial Neural Networks. For this aim prediction performances of three different Artificial Neural Network models are examined; first model that is constructed by using the Lagged Values in time series models, second model that is constructed by using the variables of "Monetary Model", which is a structural model to predict exchange rates, the last model that is constructed by using the "Purchasing Power Parity Model", which is another structural model to predict exchange rates. In the study, exchange values of US Dollar and Euro are predicted against the Turkish Lira. Results of the study show that Artificial Neural Networks model, which was constructed by using the lagged values of exchange value variable, has the best prediction performance. Artificial Neural Network models that are constructed by using the variables of Purchasing Power Parity Model and the variables of Monetary Model are ranked as the second and the third in the prediction performance ranking respectively.*

**Keywords:** *Exchange rate forecasting, artificial neural network, time series, monetary model, purchasing power parity.*

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## **The Fifth Enlargement of the European Union: Major Themes and Factors**

**Cengiz Dinç**

### **Abstract**

*While focusing on the fifth enlargement, this study tries to analyze the main dynamics, important issues, dimensions and factors in the process; the most important effects, expected by the current members and candidates, from the enlargement process are also analyzed. For the current members, the enlargement meant access to a larger market, investment opportunities and employment. The Enlargement, as a painful and humiliating process wherein the burden of transformation left to the candidates, contained implied threats. Those who did not accomplish the compliance faced with the possibility of being labeled as 'non-Europe'. The theoretical and historical background of the enlargement, the dominant characteristics and historical and emotional factors are explained in brief. The supply and demand side of the enlargement and the negative effects of EU's not having a clear perspective about its objective are analyzed. In the fifth enlargement process the members were initially divided as drivers and brakemen. The mechanism of the enlargement was fairly strictly based on conditionality. The members also evaluated the possible repercussions of saying "no" to the enlargement.*

**Keywords:** European union, the fifth enlargement of the eu, conditionality.



## **Transformation of Organization Structure of Private Televisions in Turkey**

**Sevim Koçer**  
**Nihat Erdođmuş**

### **Abstract**

*This article examines the transformation of organization structure of private television companies in Turkey. The study goes about commercial television channels that broadcast nationally and have high rate. Data were collected from television broadcasting websites and semi-structured in-depth interviews with managers of authorized channels. It was found that private television companies initially had function-based organization structures, then matrix organization was used after the completion of the studio infrastructure and lastly organization structure evolved network organization due to the increasing number of domestic productions and development of long-term relationships with suppliers. Today, the leading private television companies are structured as a mediator in the network organization. Private television companies provide content by outsourcing in stable networks. In addition, the ability of programming that is the core competence of televisions transferred to the other companies of the network. Support functions such as human resources management, advertising and marketing, administrative and financial affairs are executed by central units in headquarters of their group. Private television companies are transformed into dependent, horizontal and lean enterprises on the network rather than as independent organizations.*

**Keywords:** Television company, network organization, transformation of organization structure.

***Translation, Adaptation and Validation of the Communicator Style Instrument into Turkish***

***Özcan Özgür Dursun  
Cengiz Hakan Aydın***

***Abstract***

*This study intended to adapt the Communicator Style Instrument developed by Robert Norton (1978, 1983) to Turkish context and to test the factor structure and psychometric features of the instrument. The studies adapting two different versions of the Communicator Style Instrument, which was published in 1978 and then revised in 1983, have been conducted in two stages namely Study-I and Study-II. Within the scope of the Study I, 1978 version of Communicator Style Instrument was administered to 254 people. Within the scope of the Study II, 1983 version of the instrument was administered to 235 people. Through confirmatory factor analyses, data collected at the end of both studies were evaluated leading to factor constructs for the Turkish context. The findings have revealed that after eliminating 16 items, 1978 version of the instrument could be confirmed with ideal fit values along with an internal consistency coefficient of 0.87; whereas the internal consistency coefficient of the 1983 was 0.89 with ideal fit indices after the deletion of only 4 items. It was suggested that the instrument could be modified to have a factor construct which was ideal for collecting data from Turkish students.*

***Keywords:*** *Interpersonal communication, communicator style, individual differences.*

***Abstract***

*Individuals within the organization may have emotions such as fatigue, job dissatisfaction, physical fatigue, helplessness, hopelessness, a sense of inefficiency and may have negative attitudes towards other people. Such negative emotions can make individuals ineffective in the working life. At this point, burnout syndrome arises as a result of excessive demands on energy, power, or resources-demands and failures, fatigue and excessive strain on energy, power and potential, individuals try to get rid of this situation which adversely affects their lives and in this regard they use some methods. One of the methods to get rid of burnout syndrome is seen to be the relationship of individuals with colleagues. Impression management tactics can be used to manage the relationships between individuals. This study aims to identify the possible relationship between burnout, which has a negative impact on organizational behavior and on organizational performance, and impression management tactics. For this purpose the developed research questions tested with the data collected from 115 individuals working in the banking sector. The results explain the research questions. Considering the results as a whole, the burnout levels individuals are effective on impression management tactics.*

***Keywords:*** *Burnout, impression management, organizational behavior.*

***The Cost Efficiency Analysis: An Application about Metropolises in Turkey***

***Zeliha Kaygısız***

***Nuray Girginer***

***Abstract***

*The purpose of this study is to determine how grade municipalities effectively perform their services by using their related budget. For the first step we obtain efficiency scores by applying output oriented DEA model for four different services unit then we test whether the efficient municipalities are cost efficient or not by using Cost Efficiency Analysis (CEA). Thus the finding show that the cost efficiency scores derived from CEA performs much better than the efficiency scores derived from DEA which means that cost efficiency scores are much more realistic than DEA efficiency scores. Apparently, efficiency scores are not equal to cost efficiency score*

***Keywords:*** *Municipality, efficiency, data envelopment analysis, cost efficiency analysis.*

***Abstract***

*Developing countries have adopted outward-looking policies at the end of the 1980's. Nevertheless, developing countries could not increase their exports in the manufacturing industry. Developing countries have to buy intermediate goods in order to increase their production and exports. As it is known, manufacturing industry needs foreign intermediate goods to get more production. In this perspective, automobile industry has the same problem because this sector also needs intermediate goods which are generally imported. This study examines the foreign dependency of automobile industry in Turkey after the period of 1998. For this purpose, we use input-output tables which are taken from Turk Stat (Turkish Statistical Institute) for the period of 1998 and 2002. Using these tables, the level of external dependency is calculated for automotive and side-industrial products and during the period of 2003-2010, 2002 input-output table is accepted as a base and calculating the difference between exports and imports and the differences between total production and total supply, the level of dependency of foreign automotive sector is evaluated.*

***Keywords:*** *Foreign trade, foreign dependency, automotive industry.*

***The Relationships Among Organizational Cynicism, Organizational Justice and Organizational Support: A Sample of The Employees of Electrical Distribution Company***

**Nuray Tokgöz**

**Abstract**

*The aim of the study is to explore whether organizational justice and organizational support are the antecedents of cynicism. In order to analyze the mentioned relationship above, data set collected from employees working in a company which has the head office in Eskişehir and has affiliated organizations at five different locations. The perception and attitude scales developed the other studies to investigate the interaction of organizational cynicism with organizational justice and organizational support are used in this study. It was concluded that organizational justice and organizational support are some powerful constructs to explain organizational cynicism.*

**Key Words:** *Organizational cynicism, perceived organizational justice, perceived organizational support, service business.*

**Personal Care Phenomenon: A Research on Factors Affecting Consumer Attitude and Choice Towards Personal Care Products**

**Nilgün Sarıkaya**

**Remzi Altunışık**

**Abstract**

*The purpose of this study is to examine the meaning attributed the concept of "personal care", identify the shopping and usage behaviors of consumers as well as perceptions, attitudes towards personal care products, and to understand the factors influencing consumers' preferences for personal care products which is a fast growing industry in line with the increased welfare and economic and social developments taking place in recent years all around the globe. To this end, an exploratory study including a field survey was carried out on consumers. Findings indicate the existence of differences in meanings attributed to the concept of personal care, and a number of demographic factors such as age, income, gender, occupation, marital status and education tend to influence the existence of these differences as well as consumers' perceptions, preferences and attitudes towards personal care products. As a result, it seems that informal information sources are quite influential in consumers preferences, hence marketers should pay attention to WOM type communication media. Marketer should take these results in designing marketing strategies for personal care products industry.*

**Keywords:** Personal care, cosmetics, consumer preferences, purchase.