

From the Editor

This issue of Florya Chronicles of Political Economy includes powerful six articles. These articles are covering some cutting edge research on topical issues such as finance and environment.

The first article by Demirkale examines a variety of selected indicator and by using Granger causality calculations explores how these interact. Data for her study comes from Istanbul Stock Exchange's BIST100 index. Demirkale focuses on Foreign Exchange and interest rates as the main determinants of the index performance by applying one-unit shock to these around VAR model. This study concludes that USD/TL variable presents itself as the main cause of the stock market index that in turn significantly effects Euro/TL exchange rates and interest rate volatility.

In the following second article by Eren investigates environmental sustainability of Turkey vis a vis BRICS and MINT countries. This study uses UN developed Environmental Sustainable Index which categorizes countries under four different categories as "Very High Developed", "High Developed", "Medium Developed" and "Low Developed". According to 2019 environmental sustainable index value, Turkey is located in "very high developed" segment. Eren pursue some of the claims about Turkey that she will become an economic giant by 2050, in order to question whether economically viable efforts will be achieved in the sphere of environment too. Eren uses k-NN (Nearest Neighbor) algorithm technique to examine Turkey's environmental sustainability position vis a vis BRIC (Brazil, Russia, India, China) and MINT (Mexico, Indonesia, Nigeria, Turkey) countries.

The third article by Aydoğdu and Bağçivan examines transformation of Human Resources Management (HRM) towards a more information based society. This investigation recognizes human aspect as the dynamic element of working life and foresees that it will continue its rapid transformation into the future. Accordingly, past practices of employee record keeping, social service duties, personnel management and industrial relations are no longer going to be part of HRM as fundamental changes are taking place. This article managed to reveal these new practices of HRM under

ongoing changes. This article extends its coverage of the applications and transformations of HRM from agricultural society to information society. This study also informs us with the problems encountered with information society transformations.

Following fourth article by Faqiri and Can is on the determinants of commercial bank internal auditing systems and on the factors determining its effectiveness at Herat region of Afghanistan. This article recognizes that internal audit plays a major role in enabling a bank to achieve its goals provided that it is implemented properly and managed. It is argued that, thirteen banks operating in Herat, can become more efficient if corrective measures and strengthen procedures are implemented and managed in their internal auditing systems, since this would enable them to tackle with their business threats and inefficiencies. Hence, this paper aims to highlight and recognize the factors influencing the effectiveness of internal audit. This study of commercial banks of Herat-Afghanistan aims to carry out a field work based research with the total number of 158 internal auditors. These auditors were approached by using quantitative methods of research using quantitative terminology through self-administered questionnaires. The investigation finds that management commitment and support has positive relationship between efficacy of the internal auditing systems and improving departmental performance and improving organizational efficiency. These are proven with clear and statistically significant consequences.

The fifth article by Selimler and Karadağ examines Financial Soundness Indicators (FSI) that are compiled to monitor the health and soundness of financial institutions and markets and their corporate and household counterparts. This study uses twelve financial soundness indicators of the IMF. These indicators are accepted as the basic set for deposit taking institutions. This paper examines by using the 2018 year-data of total nineteen countries including the candidates and potential candidates of the EU as well as the members of the EU in 2004 and the following years, and Turkey. This study uses weighs of the twelve main criteria determined by Entropy method and then EDAS method. These are used to execute performance ranking according to financial soundness indicators of selected countries. The first three places in Romania, Hungary and Poland, while Turkey was ranked 7th.

The final article by Ojaghlou examines the asymmetrical effects of interest rates on Money demand in Turkey. In order to develop an effective monetary policy Central Banks desire to establish a stable and predictable money demand function. This study checks out money demand function of Turkish Central by looking at the asymmetric effects of interest rates over the period 2005Q04-2019Q03. This paper uses a non-linear autoregressive distributed lag approach (NARDL) to find that there exists a positive effect of interest rates and income on the long run money supply, while negative impact of interest rates are recorded. Additionally, the paper finds that the money demand function in Turkey is a stable one in alliance with the monetarist approach that accepts a stable money demand function as the precondition for an effective monetary policy.

Finally, I would like to reiterate that this edition is also a product of a teamwork. We need to forward our gratitude to Associate Prof. Dr. Mustafa Aydın, the President of the Board of Directors and our Rector. Prof. Dr. Yadigar İzmirli for their continued support. Prof. Dr Celal Nazım İrem, Dean of the Faculty of Economics and Administrative Sciences (FEAS) has been the main dynamo underlying the strength of teamwork and making this issue possible. We are grateful to him for his persistent energy.

Prof. Dr. Sedat AYBAR
Editor