ECON484 Spring 2025

Term Projects

Project 1: “Real Estate vs. Automobile”

In the structural analysis of modern economies, classifying countries based on their dominant economic orientation provides insights into various social and sectoral dynamics. Within this framework, referring to a country as a “real estate country” or an “automobile country” indicates the nature of the leading sector in capital accumulation processes.

- The term “real estate country” highlights the decisive role of housing and land investments in economic growth and household welfare, whereas the concept of an “automobile country” describes a structure shaped by production, consumption, and export activities centered around the automotive industry. This distinction is not solely based on sectoral weights but is also associated with multifaceted indicators such as urbanization patterns, employment structures, credit expansion, and sociocultural preferences.
- Accordingly, this classification offers an explanatory framework for analyzing both macroeconomic policy orientations and societal consumption patterns. This project aims to explore the theoretical foundations and empirical reflections of these conceptualizations.

Student teams will determine which classification a given country falls under and develop a classification algorithm to categorize countries accordingly. In this context, the project involves the following steps:

- Identifying usable datasets,
- Evaluating data compatibility with available algorithms (e.g. time series, point data derived from time series, categorical evaluation, etc.),
- Assessing which data are used and how in existing classifications,
- Selecting and implementing the algorithm in Python,
- Visualizing results using graphs and tables,
- Writing an evaluation report.

Since it is possible for some countries to periodically fall into one category and then the other, the time range of focus can be selected accordingly. Similarly, instead of focusing on a large number of countries, it is acceptable to concentrate on a smaller sample (e.g., 30 countries). However, Turkey must be included in all analyses.

Project 2: “Spending Limits”

The spending limits imposed by the Turkish Football Federation (TFF) on Süper Lig clubs aim to promote financial sustainability and maintain competitive balance within a framework of fiscal discipline. These limits are set according to the Club Licensing and Financial Sustainability Regulation and are based on criteria such as clubs’ revenue-expenditure projections, prior debt levels, and financial commitments.

- The limits, announced at the beginning of each season, directly affect clubs’ transfer, salary, and general expenditure policies, necessitating a delicate balance between sporting success and financial stability.
- Over time, the implementation has undergone structural adjustments and has been supported by flexibility mechanisms such as exceptional income increases, deviation margins, and sponsorship revenues.
- Nonetheless, the practice has sparked debate, especially regarding its impact on the international competitiveness of large clubs and the transparency of the auditing process. This project aims to examine the regulation’s effects on club financing and its structural outcomes.

The project steps include:

- Analysis of current regulations,
- Data collection from selected datasets, followed by cleaning of missing, inconsistent, or non-standard data,
- Building a basic regression model and then developing advanced models incorporating seasonality and trend analysis,
- Running the model under multiple scenarios using different input estimates for the 2025–2026 spending limits,
- Evaluating the model’s predictive success for the 2024–2025 season based on retrospective data.

Regulation analysis is a critical part of this project. It should be determined which data TFF uses in its spending limit calculations, their sources, formats, public availability, and whether they will be accessible during the May–June 2025 project implementation period.

Additionally, using qualitative sources—such as public statements by club presidents—to infer financial trends may also be a valuable approach.