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Poland and Turkey:

two economic success stories, both at a crossroads?

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For the last decade, Poland and Turkey have experienced impressive rates of growth and gained a widespread reputation as emerging points of gravity: both in economic and political terms. Recently, however, clouds have begun to be seen on the horizon in the case of both countries. Despite significant differences in their economic models and geopolitical locations, Poland and Turkey face a similar challenge of moving from an efficiency-driven to innovation-driven model of growth.

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Turkey's model – is it sustainable?

Today's 17th largest economy in the world[1] has experienced a true renaissance during the last decade. Its GDP has more than doubled in that period. In the words of Fadi Hakura, Chatham House expert on Turkey, "as chilling winds swept through much of the Western world, Turkey was basking in the warmth of 8–9 per cent growth rates, managable inflation and fiscal probity"[2].

This, to a large extent, was an effect of structural transformation carried out after Turkey's 2001 economic collapse which had served as an effective wake-up call for the country's political leaders. It encouraged them to implement significant modifications in the Turkish economic model. Before that, Turkey had

1 According to World Bank, 2012.

2 F. Hakura, „After the Boom: Risks to the Turkish Economy", Chatham House, August 2013.

been characterized by a lack of fiscal discipline and an inefficient supervision over the banking system which funnelled cash into government bonds and cheap credits to investments of dubious quality. But, as Mustafa Kutlay rightly observed, "the 2001 crisis put an end to the rentier strategy of capital accumulation"[3] and demonstrated that "the dynamic accumulation strategy, based on internationalization and competition on a world scale (...) was the only sustainable way for Turkish finance capital to develop" [4]. This is how the 2001 crisis, while being the severest economic disaster in the history of Turkey, opened a "window of opportunity" for its long-awaited institutional reform.

The structural transformation was carried out first by the Economy Minister Kemal Derviş (2001–2002), and then (since 2003) by the government of Recep Erdoğan. Under the leadership of Derviş, Turkey concluded a stand-by agreement with the IMF, liquidated insolvent banks, privatized state-owned entreprises, liberalized the energy and telecommunication markets, introduced a free-floating Turkish lira, created an autonomous central bank, and set up independent financial and market regulatory bodies[5]. The government adopted a target for the public sector primary surplus of 6,5% GNP for 2003 and beyond[6]. Then, under Erdoğan, Turkey's central bank gained internal and international credibility by bringing inflation under control, while the economy finally took off benefitting both from the new institutional framework and the global tail wind.

The resolution of Turkey's 2001 banking crisis is often presented as a "good practice" worth following by other countries that tackle the problem of restructuring financial institutions which are considered "too big (or too important) to fail". According to the UN's World Development Report 2014, "successful design of the 2002 public recapitalization program prevented misuse of public funds through strict eligibility criteria, an in-depth audit to transparently disclose capital shortfalls, and the mandatory participation of bank owners in recapitalization. Between 1997 and 2004, 21 banks representing about 20 percent of banking sector assets were transferred to the bank resolution agency, and all but one bank were resolved through mergers, sales, and liquidation by 2004. The efforts of Turkish authorities to minimize the fiscal costs of the restructuring program and future moral hazard have contributed to greater self-reliance and self-discipline on the part of the Turkish banking sector, including improvements in bank risk management. This in turn underpinned the resilience of the Turkish banking sector to the spillovers from the 2008 global financial crisis"[7].

Attention is usually drawn to additional two "driving forces" behind Turkey's economic success of the last decade.

First of all, the restructuring of the financial sector enabled an emergence of a new competitive capitalist class[8]. Those financial conglomerates which survived the 2001 turmoil started to focus their investments increasingly on high value added sectors (like automotive, finance, high technology or durable goods) just as they expanded their activities

3 M. Kutlay, "Economy as the practical hand of new Turkish foreign policy: a political economy explanation", Insight Turkey, Vol. 13, No. 1, 2011, pp. 67-88.

4 Ibidem, p. 73.

5 F. Hakura, op. Cit., p. 2.

6 M. Macoveri, "Growth and Economic Crises in Europe: Leaving Behind a Turbulent Past", European Commission, Economic Papers 386, October 2009.

7 "World Development Report 2014", p. 210-211.

8 M. Kutlay, op. Cit., p. 72.

geographically. As a matter of example: Sabancı Holding switched from textiles to high technology which was exemplified by its acquisition of DuPont, while Koç Holding acquired the washing machine producer Blomberg and the electronics company Grundig.

Secondly, new business elites (the so-called "Anatolian Tigers"), which combine export orientation with social conservatism, have acquired strong position inside Turkey and in the region, managing to balance an earlier dominance of Istanbul[9]. It is largely thanks to their emergence, as well as to their strong embeddedness in Islamic social networks, that Turkey's regional economic expansion was made possible. At this moment, Turkey belongs to the most broadly connected economies in the world (24th position among 140 countries analysed in the Global Connectedness Report 2012[10]). Its exports are characterized by a broad distribution between world's major economies and regional partners.

[9] F. Hakura, op. Cit., p. 3.

[10] "Global Connectedness Report 2012", DHL, 2013.

Turkey's economic growth over the last decade has been accompanied by a significant reduction in income inequality and a corresponding emergence of a new middle income class, thus "retroalimenting" the role of private consumption as one of the country's sources of growth. All in all, the stage seemed to be approprietely set last year for Recep Erdoğan to announce an ambitious target of triplicating the size of Turkey's economy by 2023.

Nevertheless, further perspectives of Turkey's growth are far from certain. Risks of its economic model have been clearly exposed in the last IMF report: "In the medium-term, the challange is to boost growth without increasing imbalances. Turkey's demographic structure, strategic geographic location, and dynamic economy present many opportunities. However, it will be difficult for Turkey to sustain an average growth of 4 to 5 per cent per year while continuing to accumulate large external liabilities year after year. The present low level of domestic savings implies that investment is determined by the availibility of highly volatile external inflows. Without structural reforms, growth would have to be below the historical trend to avoid increases in external imbalances and accompanying bouts of instability"[11]. The *Financial Times* considered this as "some of IMF's harshest critisism of the country in recent years", and stated that the "fundamental question is about no less than Turkey's growth model and whether the country can prosper in the years ahead if it remains so reliant on short-term capital from abroad"[12].

[11] "Turkey: Concluding Statement of the IMF Mission for the 2013 Article IV Consultation", IMF, September 30, 2013.

[12] D. Dombey, "IMF gets tough with Turkey", Financial Times, October 7th, 2013.

There are diverging opinions as to what particular aspects of the Turkey's growth model constitute its weakest points. **IMF pays attention to three overarching problems: too much public spending, excessive reliance on domestic demand and loose monetary policy.** But other issues also come into the fore, including: limited sophistication of exports, inefficient use of the demographic dividend or even a pervasive gender inequality which is having an important impact on the labor market[13].

[13] F. Hakura, op. Cit., p. 6.

The following conclusion by Hakura is particularly relevant in this context: **"Turkey has so far experienced only the 'easy' growth** derived from

macroeconomic stabilization and can no longer simply rely on low-cost labour resources and the easy adoption of new technology as sources of growth"[14].

That is not all. A yet another discussion is gaining momentum in the background, especially after the 2013 Taksim Square protest, with Turkey's lax attitude towards democracy and rule of law increasingly critisized as the ultimate barrier to the country's long-term prosperity. Erdoğan himself described democracy in 1996 as "a means to an end, not an end itself", while on a yet another occasion he said that "democracy is like a train – we shall get out when we arrive at the station we want"[15]. There are more cases against Erdoğan's Turkey than against Putin's Russia at the European Court of Human Rights[16].

The fragililty of Turkey's democracy may create an insurmountable obstacle for the country to consolidate its development strategy. The latter tends to require political and economic stability as well as adequate levels of interpersonal trust. Meanwhile, as we will se later on, Turkey's levels of interpersonal trust are considerably lower than OECD averages.

Poland – the irony of being a "green island"

Just as in the case of Turkey, the last ten years have been a period of Poland's exemplary economic progress. Between 2004 and 2008 the economy grew by an average annual rate of 5,4%. Even after the global economic slump Poland maintained the momentum and grew by an average of 3% between 2009 and 2012, thus being branded Europe's "green island".

Although Poland's current economic indicators remain positive, the crisis has brought several long-term challenges into the fore. Most of all, the country's economic overdependance on Europe is increasingly seen as an obstacle to its future growth. The IMF has recently considered Poland's export concentration on Europe as one of the major culprits for its real GDP slowdown: from 4,5% in 2011 to just 1,9% in 2012[17]. Over a quarter of Polish exports go to Germany and about 90% go to other European countries. Still, it must be remembered that a large part of it, especially in the case of trade between Poland and Germany, contains either re-exports of a foreign production or exports that are subsequently re-exported to other parts of the world (see Figure 1.). Poland is an open economy, with exports amounting to 40% of GDP. What is more, it is increasingly globalized: when measured by the per cent of GDP, the value of imported intermediated goods used in the production process increased from 14% in 1995, through 23% in 2000 up to 31% in 2008. Yet again this reflects to a large extent the country's rising interdependence with the European, especially German, economy.

[14] Ibidem, p. 5.

[15] I. K. Bell, "Behind the facade of Turkey's recent economic growth", Quartz, June 17th, 2013.

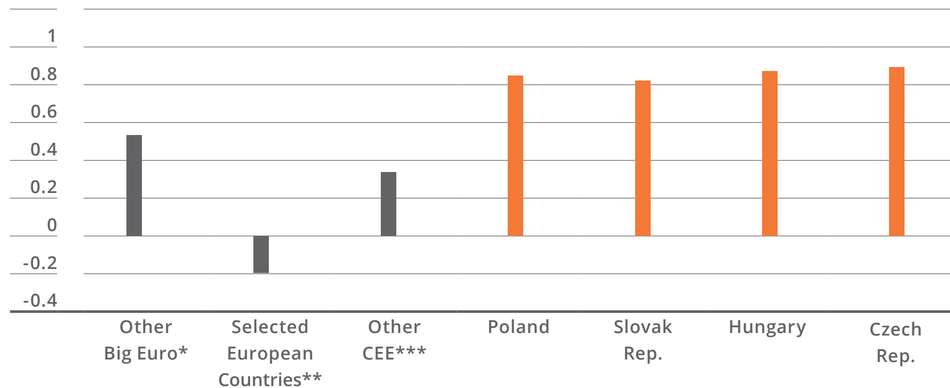
[16] D. Gardner, "EU shares blame with Erdogan for loss of reform zeal", Financial Times, September 30, 2013.

[17] "IMF Executive Board Concludes 2013 Article IV Counsultation with the Republic of Poland", IMF Press Release No. 13/271, July 23rd, 2013.

Figure 1.

Correlation between exports and imports from Germany (1995–2012).

Source: "German Central-European Supply Chain – Cluster Report", IMF Country Report No. 13/263, August 2013, p. 8.



Source: Sources Direction of trade and WEO.
* Other Big Euro indudes Austria, Belgium, France, Italy, and the Netherlands.
** Selected European Countries Greece, Irland, Portugal, and Spain.
*** Others CEE includes BiH, Bulgaria, Croatia, Latvia, Lithuania, Macedonia, Romania, Slovenia, and Ukraine.

Poland's focus on Europe is in no way accidental. Since the collapse of communism, the whole effort of the Polish foreign policy has been devoted to the country's reintegration with Europe: first, through consecutive accessions to the Council of Europe, OECD, NATO and the European Union; and then, through the focus on building a strong political position inside the EU[18]. Poland's weak export diversification is just a logical correlate of this broader political orientation.

18 P. Świeboda (ed.), "Polska Globalna – Impuls do Debaty", demos EUROPA Report, May 2013, p. 7.

But a particular problem related to Poland's overrelience on Europe consists in the country's 'petrified' specialization in the production caracterized by low added value. In many ways, Poland functions as a manufacturing and services subcontractor for more advanced European economies, especially Germany. For the time being, Polish companies are able to "bandwagon" on the German exporting boom. Nevertheless, this situation is not only subject to severe risks (for example, under the scenario of a sudden economic slowdown in China and its corresponding negative effect on the German economic activity) but it also perpetuates structural vulnerabilities inside Polish economy, hampering its long-awaited advance on the ladder of added value.

There is a growing sense of understanding inside Poland that its hitherto growth has been, in many ways, 'easy' – just as it happened in the Turkish case. In particular, Poland has until now benefitted largely from European integration (access to the Single Market and a wide flow of Structural Funds) as well as from efficiency gains. Its flexible exchange rate turned out to be an additional asset in the years of eurozone crisis. However, if the country is supposed to pass to the next level of socio-economic development, it must activate new sources of growth – especially in the form of inhouse innovation and more resolute globalization.

The irony is that positive economic forecats, as well as another seven years of the EU's generous financial support (as part of the recently agreed 2014-2020 EU Multiannual Framework) may serve as a paliative for Poland's willingness to reform. It seems that the approaching recovery of the European economy may arrive just in time not to let Poland explore the significance of its structural vulnerabilities. According to the European Commission, Poland's GDP should increase by 1,2% in 2013 and 2,2% in 2014, despite the fact that the country's economy is (in the words used by the EC) already "flying on one engine"[19].

[19] "European Economic Forecast 2013", European Commission, October 2013.

Apples and oranges?

From the economic, political and strategic points of view, Turkey and Poland are two different "projects", which inevitably makes the task of comparing one with another complicated. Poland's overall GDP constitutes only two thirds of the Turkish one[20], although its GDP per capita is significantly higher[21]. Poland is classified by the World Bank as a high-income economy, while Turkey is still situated in the group of upper-middle-income countries. Turkey is member of G20 – a political club of world's most important economies to which Poland has only an indirect access via its European partners. By contrast, since 2004 Poland is a member of the EU and benefits from the European Single Market – a perspective that is still far from certain in the case of Turkey, despite a formal opening of its accession negotiations in 2005.

Despite these differences, there exists a crucial similarity between Poland and Turkey at the so-called "meta level". Both countries belong to the OECD but keep lagging behind their Western partners in many aspects of the socio-economic development - especially in innovation and the quality of institutions. Both are considered by the World Economic Forum as economies transitting from the efficiency-driven to innovation-driven growth. All in all, despite being already advanced economies, both face the risk of falling into some kind of the "middle income trap" and must therefore re-consider their respective economic models in order to avoid it.

The concept of the "middle income trap", despite methodological shartfalls, is recognized as useful for guiding policy discussion[22]. It is described as a "phenomenon of hitherto rapidly growing economies stagnating at the middle-income levels and failing to graduate into the ranks of high-income countries"[23]. It is assumed that "at middle levels of income, growth and structural upgrading become more arduous"[24]. In particular, into the trap fall those countries whose competitive capacity has weakened in manufacturing standard industrial products against poor countries with low wages, while they encounter difficulties in converging with innovation-based developed countries.

From a formal point of view, Poland (with GDP/cap of 12 709 USD) has already managed to surmount this challange by passing into the group of high-income countries (above 12 076 USD). Yet, structural vulnerabilities of the Polish economy as well as its still mostly efficiency-driven growth model enable

[20] In 2012, Poland's GDP amounted to 489,7 billion USD, and Turkey's to 794,5 billion USD; "World Economic Outlook 2013", International Monetary Fund, 2013.

[21] In 2012: Poland – 12 709 USD, Turkey – 10 609 USD; Ibidem.

[22] F. G. Im, D. Rosenblatt, "Middle-Income Traps: A Conceptual and Empirical Survey", World Bank Policy Research Working Paper 6594, September 2013, p. 25.

[23] A. Aiyar, R. Duval, D. Puy, Y. Wu, L. Zhang, "Growth Slowdowns and the Middle-Income Trap", IMF Working Paper, March 2013.

[24] A. Jankowska, A. J. Nagengast, J. R. Pereo, "The Middle-Income Trap: Comparing Asian and Latin American Experiences", OECD Policy Insights Np. 96, May 2012.

us to consider it as a typical case of a country still facing the middle-income trap. The inclusion of Turkey in the category of the "middle income trap" is much less debatable. Yet, the challenge of Poland and Turkey should not be reduced to the task of attaining a certain absolute value of GDP per capita at a given moment in the future[25] but rather as a need to create foundations for a sustainable growth.

Seen from this perspective, the middle-income challenges of Poland and Turkey are not the same. Using the World Bank terminology, the two countries locate differently on the "growth slowdown risk" map[26]. Poland has to cope with problems of economic overdependence on a limited number of trading partners and reduce its specialization in low added-value products. Meanwhile, Turkey is struggling, most of all, with repeated financial imbalances[27] as well as with a severe democratic deficit. The challenge that both countries have in common is that they are still at odds with innovation-driven growth. Below, we tackle briefly three of the before-mentioned challenges: globalization, innovation-based development and the importance of democracy.

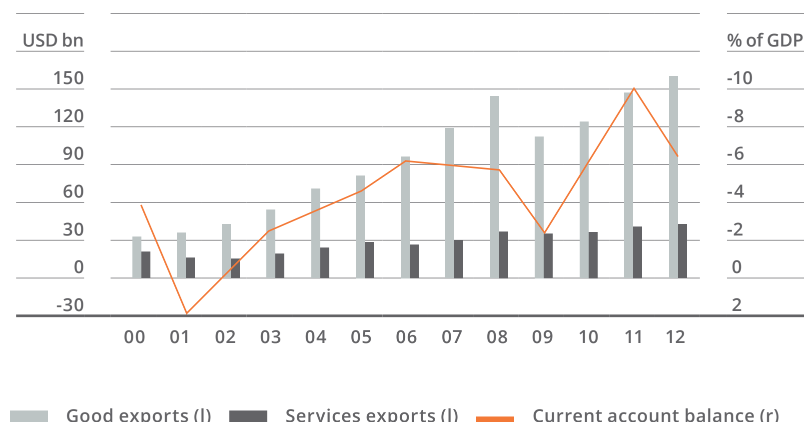
Squaring the globalization circle

From a general perspective, Poland is a more globalized economy than Turkey. It occupies 39th position in the "DHL Global Connectedness Index 2012", whereas Turkey is ranked 56th. Poland's exports amount to almost 40% of its GDP, twice more than in the case of Turkey[28].

Nevertheless, Turkey's connectedness to the world economy is characterized by a significantly higher breadth than in the Polish case. Poland is still largely focused on Europe, where 90% of its exports are dispatched. Meanwhile, Turkey's geographic portfolio is much more diversified: only half of its trade goes to the EU while Middle East and North Africa (MENA) together with Russia constitute other important destinations. Still, it must be remembered that Poland's connectedness may turn out to be significantly broader if re-exports from its major trading partners (especially Germany) are taken into account.

Figure 2.

Turkey's exports evolution over the last decade. Source: UN Trade.



[25] "It may be reasonable to imagine a future in which all countries are rich from some absolute perspective; however, given differences in preferences, endowments, geography, initial conditions, historical antecedents and even random shocks, it is hard to imagine a world in which all countries have a nearly identical income per capita. Even if all policies are perfect, it is not clear that one would expect rapid or complete convergence"; F.G. Im, D. Rosenblatt, op. Cit., p. 24.

[26] A. Aiyar et al., op. Cit.

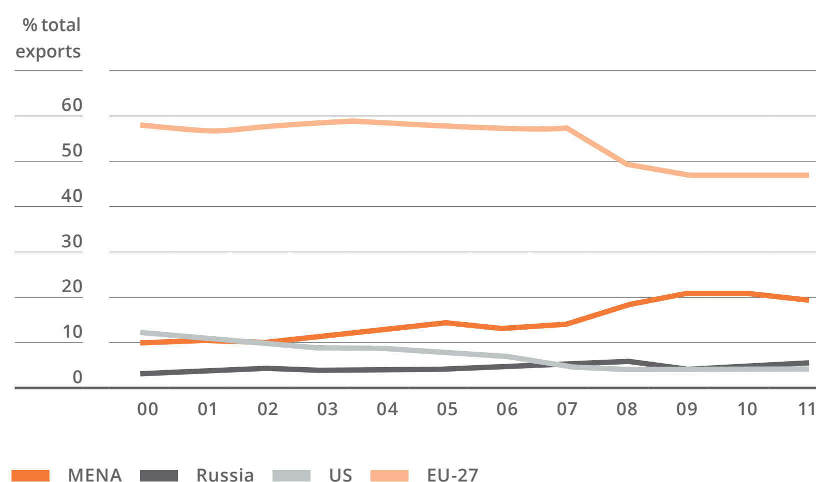
[27] It has experienced three large recessions in the decade 2001-2010 and another one in 1991-2000, while Poland has experienced none in both periods; "World Development Report 2014", op. Cit., p. 302.

[28] "Global Connectedness Report 2012", op. Cit.

While Poland's overall connectedness score has remained stable since 2006, in the Turkish case it rose strongly between 2005 to 2009. This may be explained both by the exporting boom of the Turkish economy (its goods and services exports increasing on average by 11% a year between 2001 and 2009 – see Figure 2.) as well as by its progress in terms of "breadth". The importance of EU as its export partner has decreased from 60% to 50% over the last decade, while the share of MENA rose from 10% to 20% (see Figure 3.). **All in all, Turkey's is skillfully exploting its location as a "bridge" between the West and the East, an art that Poland has not captured yet.**

Figure 3.

Turkey's exports partners evolution over the last decade. Source: UN Trade.



[29] "Turkey: export led growth", Report by the Economic Research Department at Rabobank, April 10th, 2013.

Still, Turkey has not managed to create a sustainable model of export-led growth. According to the World Bank, around 84% of its export growth during the last decade has been explained by an increase in volumes, and not by an increase in prices. This is largely because Turkey's inputs markets are relatively underdeveloped. If the country is supposed to grow further thanks to exports, it must raise the share of the value chain owned by Turkish companies – which demands an increase in domestic production of inputs[29].

According to the OECD/WTO joint indicators, the share of imported intermediate inputs is partcularly high and rising in those sectors of the Turkish economy which demand a more technologically advanced content, like transport, machinery or electrical equipment (see Figure 4.)

However, this external "dependence" is still significantly higher in the case of Poland (see Figure 5.). This, on one hand, may be explained by its generally higher level of economic openness and integration with global chains of added value (Figure 6.). But on the other hand, it may constitute an equally serious reason for a strategic preoccupation, just as happens in the Turkish case.

Figure 4.

Share of imported intermediate inputs that are re-exported by Turkey, by import category.
Source: OECD/WTO Trade in Value Added Indicators, 2013.

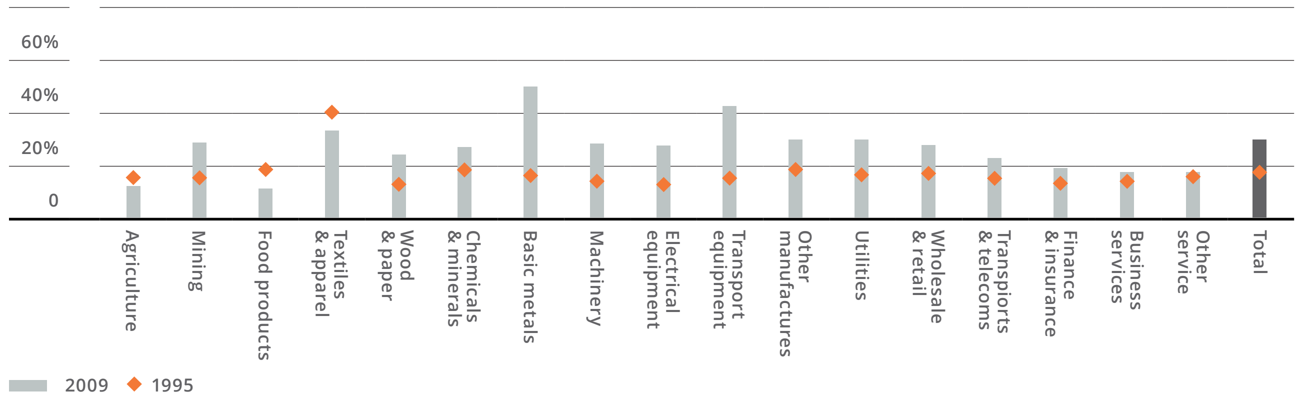


Figure 5.

Share of imported intermediate inputs that are exported by Poland, by import category.
Source: OECD/WTO Trade in Value Added Indicators, 2013.

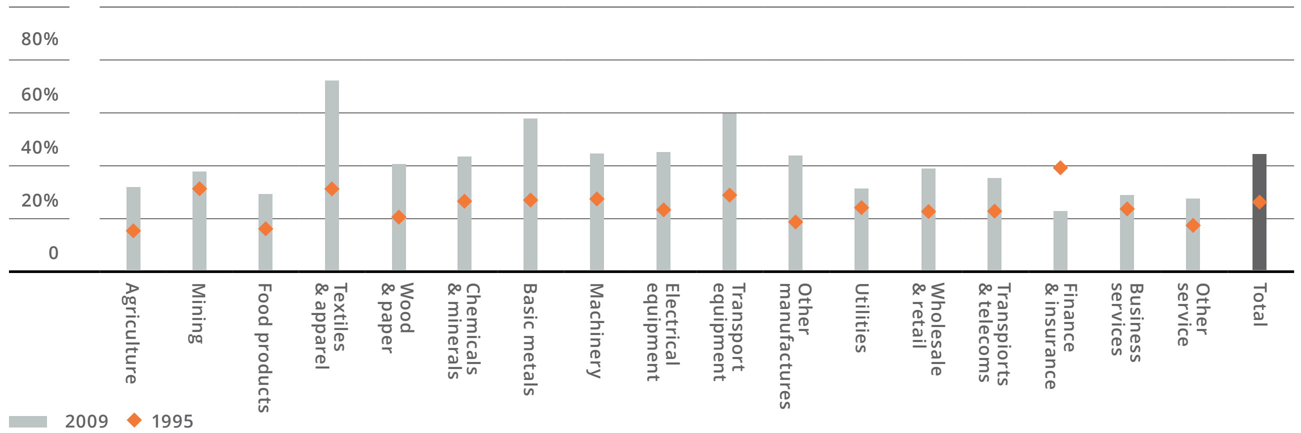
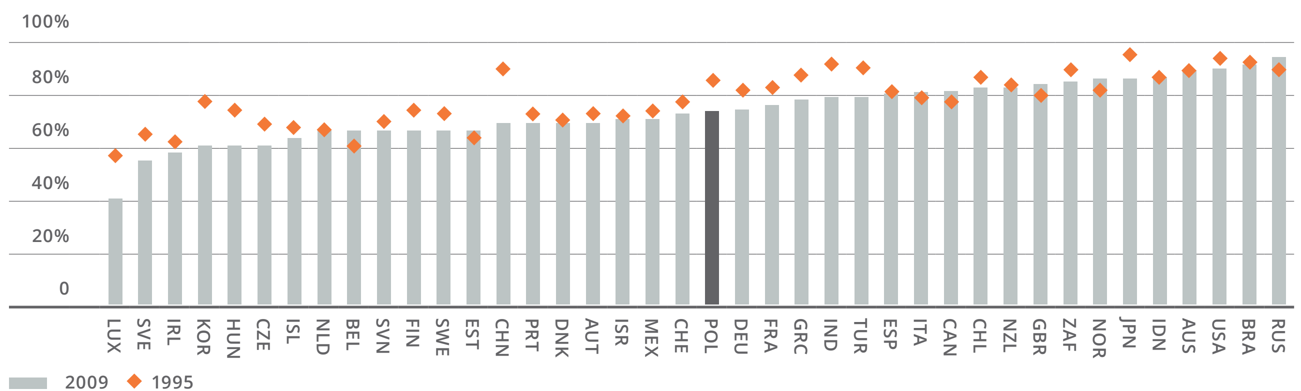


Figure 6.

Domestic value added content of gross exports as a measure of the country's integration with global chains of added value.
Source: OECD/WTO Trade in Value Added Indicators, 2013.



Growing by innovating

In order to benefit from globalization, both Poland and Turkey need to improve their innovative performance. At this moment, both are classified by the European Commission in the ultimate category of "modest innovators", which means that their performance is more than 50% poorer than the EU's average.

30 "Innovation Union Scoreboard 2013", European Commission, 2013.

In the case of Poland, relative strengths[30] are found in the area of human resources, whereas the country's major weakness resides in innovative practices of its SMEs – in terms of their inhouse innovation, introduction of product and process innovations, as well as innovative collaboration between firms. In contrast, human resources constitute a major weakness of Turkey while it is the innovativeness of SMEs which may be considered as one of its rare relative strengths.

This demonstrates that the "innovative challenge" of both countries, while of equal importance, may demand different policy responses. Whereas one of Turkey's priorities should be education, Poland needs to guarantee adequate incentives for the private sector to innovative – inter alia, by streamlining its access to financing.

However, what the Innovation Union Scoreboard does not show is the relationship between global integration of the economy and its level of innovativeness. Poland and Turkey must finds smart way of using their rising economic interdependence with the world to promote national innovativeness. If they achieve this, they may be able to integrate global markets on more favorable and sustainable terms. Now the question is whether they dispose of necessary institutions capable of managing this process?

Putting democracy back in

According to Acemoglu and Robinson, "while economic institutions are critical for determining whether a country is poor or prosperous, it is politics and political institutions that determine what economic institutions a country has"[31]. Political and economic institutions can have inclusive or extractive caracter. Inclusive institutions are "those that allow and encourage participation by the great mass of people in economic activities that make best use of their talents and skills and that enable individuals to make the choices they wish"[32]. In contrast, extractive institutions "are designed to extract incomes and wealth from one subset of society to benefit a different subset"[33]. Most crucially, growth is possible under extractive political institution for some time, as long as strong political centralization is in place.

31 D. Acemoglu, J. Robinson, "Why Nations Fail?", 2013, p. 43.

32 Ibidem, p. 74.

33 Ibidem, p. 76.

Putting aside methodological problems in deciding whether institutions of a particular country are more inclusive or extractive, **the perspective proposed by Acemoglu and Robinson enables us to make sense of Turkey's persistent "democracy problem"**.

The democratic deficit of this country has come back to the frontline after the outbreak of the Taksim Gezi Park protests in May 2013. Originally organized in contest of the government's urban development plan, they subsequently encompassed a wider range of issues including the freedom of the press, freedom of expression, freedom of assembly, and the encroachment on Turkey's secularism. As far as secularism is concerned, the main object of critisism has been the government's 2012 education reform widely seen as pushing an Islamic agenda and posing a serious risk to education standards[34]. Attention has also been put to the fact that there are more cases to Erdoğan's Turkey than Putin's Russia at the European Court of Human Rights[35].

Turkey is classified as only "partly free" by the the Freedom House. In particular, its civil liberties rating has declined recently from 3 to 4[36] due to the pretrial detention of thousands of individuals (including Kurdish activists, journalists, union leaders, students, and military officers) in campaigns that many believe to be politically motivated[37]. Turkey's political rights rating has maintained the level of 3, locating the country in a group of "partly free" – together with only three other European nations: Albania, Bosnia and Herzegovina, and Ukraine (with Belarus and Russia being considered as "not free"). As a matter of comparison, Poland's freedom rating has maintained a stable level of 1,0 for over a decade, reflecting durability of the country's democratic system.

Now, the major dilemma is whether a "partly free" country may be able to base its further economic growth on new sources – including innovation and entrepreneurship? While political stability and the soudness of economic governance have enabled Turkey's outstanding economic growth during the last decade, they may prove not to be enough at a more sophisticated stage of development. Innovation needs high quality of education and a favourable climate for experimentation. Entrepreneurship needs the rule of law and high indices of interpersonal trust. For the moment, Turkey has none of these. It lags behind all the other OECD members in most of the rankings of education quality and it demonstrates alarmingly low levels of interpersonal trust. Besides, it is the only OECD country where higher educational attainment correlates with lower trust (see Table 1). Meanwhile, it is tempting to see the Turkey's chronic "trust problem" as a direct consequence of its shortcomings in terms of political inclusiveness.

Table 1.
Source: European Social Survey 2008.

Proportion of adults expressing interpersonal trust, by level of education	below upper secondary	upper secondary	tertiary education
Poland	0,17	0,24	0,42
Turkey	**0,16**	**0,12**	**0,12**
OECD average	0,34	0,42	0,53

34 "Turkey passes school reform law critics view as Islamic", Reuters, March 30th, 2012.

35 D. Gardner, op. Cit.

36 On a 1-7 scale from "free" to "not free".

37 "2013 Freedom in the World", Freedom House, 2013.

Conclusions

For the last decade, Poland and Turkey have experienced impressive rates of growth and gained a widespread reputation as emerging points of gravity: both in economic and political terms. Recently, however, in both cases some dark clouds have begun to be seen on the horizon.

Despite significant differences in their economic models and geopolitical locations, Poland and Turkey alike face the risk of falling into some sort of the "middle-income trap". Both need urgently to find sustainable sources of growth. These may be found most easily in the areas of global connectedness and in-house innovation. Yet, while both countries have increased their integration with global markets during the last decade, they are still lagging behind the rest of Europe in innovative activities. Without that, they cannot benefit fully from globalization.

In the case of Poland the main innovative challenge continues to be "enhancing investment and the innovativeness of Polish businesses"[38], which may be progressively acquired by setting the incentives right in the market while at the same time streamlining access to financing. Still, this demands strategic leadership on the part of the government, which paradoxically may be hard to find given the country's too comfortable economic situation.

38 "2013 Research and Innovation Performance in Poland", European Commission, 2013, p. 7.

By contrast, in the case of Turkey, the challenge is much more complicated as the country's "democratic deficit" may constitute an effective obstacle for the transition to a more technologically advanced model of economic growth. However, if the country maintains its ambition to enter the European Union, and as long as it is accompanied by the EU itself in achieving this strategic objective, this may serve as a powerful boost for the Turkish government's motivation to improve its democratic performance and by doing this to enable the necessary transition of the country's economic model.

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