

## A DIAGNOSTIC ASSESSMENT OF TURKIYE'S DEVELOPMENT TRAJECTORY WITHIN THE NEW STRUCTURAL ECONOMICS FRAMEWORK

### AVALIAÇÃO DIAGNÓSTICA DA TRAJETÓRIA DE DESENVOLVIMENTO DA TURQUIA NO NOVO QUADRO DA ECONOMIA ESTRUTURAL

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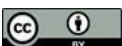
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#### Abstract

New Structural Economics (NSE) views development as a process of structural transformation shaped by the interaction of factor endowments, industrial structure, and the facilitating role of the state. From this perspective, development cannot be assessed by growth outcomes alone, but by whether production structures evolve in line with underlying factor conditions. Accordingly, this study analyzes Türkiye's development trajectory over the 2000–2023 period within a theory-consistent structural framework. The analysis examines the alignment between Türkiye's evolving factor endowments and its industrial and export structure, together with the role of state institutions in facilitating this process. The study is structured around three interconnected dimensions: factor endowment dynamics, revealed specialization across technological sectors, and the state's institutional capacity to support structural transformation. The findings reveal a persistent structural misalignment. Despite notable improvements in capital accumulation, higher education, and infrastructure since the late 2000s, industrial specialization has remained concentrated in low- and medium-technology manufacturing. Revealed specialization patterns suggest that growth has largely occurred without sustained industrial upgrading, indicating that Türkiye's main development constraint lies in the lack of coherence between capabilities, institutions, and strategic orientation.

#### Resumo

A Nova Economia Estrutural (NSE) encara o desenvolvimento como um processo de transformação estrutural moldado pela interação entre os fatores produtivos, a estrutura industrial e o papel facilitador do Estado. Nessa perspectiva, o desenvolvimento não pode ser avaliado apenas pelos resultados do crescimento, mas sim pela evolução das estruturas produtivas em consonância com as condições dos fatores produtivos subjacentes. Assim, este estudo analisa a trajetória de desenvolvimento da Turquia no período de 2000 a 2023 dentro de uma estrutura teórica consistente. A análise examina o alinhamento entre a evolução dos fatores produtivos da Turquia e sua estrutura industrial e de exportação, juntamente com o papel das instituições estatais na facilitação desse processo. O estudo está estruturado em torno de três dimensões interconectadas: dinâmica dos fatores produtivos, especialização revelada em setores tecnológicos e capacidade institucional do Estado para apoiar a transformação estrutural. As conclusões revelam um desalinhamento estrutural persistente. Apesar das melhorias notáveis na acumulação de capital, no ensino superior e nas infraestruturas desde o final da década de 2000, a especialização industrial continuou concentrada na indústria transformadora de baixa e média tecnologia. Os padrões de especialização revelados sugerem que o crescimento ocorreu em grande parte sem uma modernização industrial sustentada, indicando que o principal obstáculo ao desenvolvimento da



**Keywords:** New Structural Economics. Justin Yifu Lin. Factor Endowments. State Institutions. Export Structure.

*Turquia reside na falta de coerência entre as capacidades, as instituições e a orientação estratégica.*

**Palavras-chave:** Nova Economia Estrutural. Justin Yifu Lin. Dotação de Fatores. Instituições Estatais. Estrutura de Exportação.

## 1 INTRODUCTION

New Structural Economics (NSE), developed by Justin Yifu Lin, offers a holistic framework that focuses on the relationship between production structure and factor endowment in development economics. NSE is considered a significant paradigm shift in development economics Wu, (2017). This approach offers a 'third way' between classical structural economics and neoliberal policies Dutt, (2019). NSE is based on a country's comparative advantages based on its factor endowments (physical capital, labour, natural resources) and argues that the state should play a supportive role. NSE redefines the production function Lin & Wang, (2019). Andreoni, (2024) has noted that NSE better explains the dynamics of today's developing country economies than traditional development models. Aiming to overcome the industrial priorities of classical structuralist approaches and the market-centered assumptions of neoliberal economic understanding, the NSE adopts the role of the state as a facilitator, not a guide, as a basic principle Vuckovic (2014) and Lin (2021). This approach focuses on how late-developing economies can achieve a structural transformation that is compatible with their comparative advantages without turning to premature and costly industrial leaps. NSE basically defines the harmonisation of factor endowment, environmental conditions and institutional structure as the path to success Cai&v.d., (2024). The NSE framework has been widely discussed both as a reinterpretation of structuralist thinking and as a policy-oriented alternative to the Washington Consensus Rodrik, (2011); Lin & Wang, (2019).

Since its introduction, New Structural Economics (NSE) has generated a wide area of debate at both the theoretical and policy levels. Studies related to NSE intensified in the literature, particularly during the 2010s. Mostafiz (2024) examined whether Bangladesh would be successful in its development model within the framework of NSE. Lin and Monga (2010) demonstrated the role of NSE in developing countries. Fine and

Van Waeyenberge (2013) criticized Lin's NSE, arguing that it cannot be considered a coherent development model due to the numerous contradictions underlying its theoretical foundations. Yeung (2017) analyzed Lin's NSE from an economic policy perspective and argued that genuine success would depend on linking local productive capacities to global networks. Garnaut (2013) emphasized that Lin's NSE should be understood as an examination of the evolution of the economics profession in China. Krugman (2011) argued that firms would face substantial costs during the process of transforming production structures, and therefore viewed government intervention as necessary, evaluating NSE positively in this respect. Wade (2011) highlighted both the historical and ongoing quest to identify the fundamental driving forces of development within development economics in Lin's work, drawing attention to several important insights. However, this growing interest appears to be shaped largely by normative policy prescriptions and selected country experiences. Systematic analyses that can jointly and dynamically evaluate the interaction between factor endowments, industrial structure, and institutional capacity over time remain relatively limited. This suggests that the structural transformation logic proposed by NSE has not yet been sufficiently tested at the empirical level.

This gap is particularly significant for middle-income economies. In the case of Türkiye, the post-2000 period has been characterized by substantial capital accumulation, alongside notable improvements in education and infrastructure indicators. Nevertheless, a lasting transformation of the industrial structure has not been achieved; productivity gains have remained limited, and institutional fragilities have persisted. This observation indicates that Türkiye's development experience needs to be analyzed not merely through its growth performance, but through the lens of structural alignment and transformation.

This study aims to evaluate Türkiye's development path in the 2000-2023 period through the causal structure envisaged by New Structuralist Economics. The basic question is: How has Türkiye's factor equipment transformed over time; To what extent has this change been reflected in industrial specialization and has the institutional framework of the state been able to support this process? In seeking an answer to this question, the study goes beyond descriptive growth indicators and offers an analysis that addresses the multidimensional nature of structural transformation together. The study contributes to the New Structuralist Economics literature on three basic levels.

First of all, this study differs from studies that evaluate the NSE only with individual indicators or qualitative narratives; It deals with the interaction between factor equipment, industrial structure and institutional capacity together. This approach considers these areas as interconnected structural elements rather than as independent measurement heads.

Secondly, it's aims to periodically reveal the patterns of harmony and incompatibility in the structural transformation process and to analyze the breaking points on the path of development.

Thirdly, examining the 2000-2023 period through the case of Türkiye offers a new perspective on the structural dynamics behind growth performance. The findings suggest that the experience of fluctuating growth is not temporary macroeconomic shocks; factor accumulation, industrial specialization and institutional capacity. This framework redefines Türkiye's development problem as a structural alignment problem rather than a matter of lack of resources.

With these aspects, the study strengthens the data-based applicability of New Structuralist Economics and makes a conceptual and methodological contribution to the literature on the evaluation of structural transformation in middle-income economies.

## 2 METHODOLOGY

New Structural Economics (NSE), rather than a classification approach that evaluates development through individual performance indicators; factor endowment, industrial structure and the facilitating role of the state as a causal and diagnostic analysis framework (Lin, 2013). In this approach, development is not a matter of achieving a predetermined goal; It is conceptualized as the evaluation of the extent to which the production structure can transform in harmony with the changing factor equipment over time.

This study develops a diagnostic framework for New Structural Economics built around three core analytical blocks: Factor Endowment Trajectory, Industrial Structure and Revealed Comparative Advantage, and State Facilitation and Policy Alignment. These blocks are directly grounded in the theoretical foundations of New Structural Economics and jointly provide a coherent basis for empirically assessing the theory's core

propositions. The NSE is not a policy recipe; It is considered as an analytical framework that allows to evaluate the development process of countries. The focus of the study is to examine whether there has been a consistent harmony between factor endowment, industrial structure and the role of the state in Türkiye's development process in the period 2000–2023 over time. In this direction, the methodology aims to reveal the relationships and breaking points that shape the structural transformation process rather than measuring growth rates.

In this context, the analysis focuses on the following fundamental question: Has Türkiye's production and export structure acted in harmony with the changing factor equipment over time and has the institutional capacity of the state played a facilitating role in this process?

To answer this question, the study is structured around three analytically dissociated but theoretically interconnected diagnostic components. The data and sources of each diagnosis are given in the Appendix table at the end of the study.

## **2.1 First diagnostic blok: factor endowment over trajectory**

Our first diagnostic component is Türkiye's factor equipment. For this purpose, it examines the transformation of factor endowment over time in Türkiye's development process. Within the framework of NSE, factor equipment, which consists of components such as labor, physical capital, human capital and infrastructure capacity, defines the basic structural constraints that determine which production activities an economy can achieve sustainable competitiveness.

These indicators are considered together and in a temporal context rather than being reduced to a singular criterion. Thus, gradual changes in factor endowment, structural breaking points and transition phases can be identified; It is revealed which types of production structures Türkiye had a theoretically favorable ground for in different periods.

## **2.2 Second diagnostic block: industry structure and revealed comparative advantage**

Our second diagnostic component examines the extent to which Türkiye's actual production and export structure coincides with the factor endowment profile determined in the first component. According to the NSE, structural transformation occurs when industrial activities that are compatible with comparative advantages change over time towards more complex production stages.

In the evaluation of this dimension, Revealed Comparative Advantage (RCA) indicators based on Balassa's standard formulation are used. RCA values; It is calculated for wide technological categories covering low technology, medium technology and high technology manufacturing sectors, so that transformation patterns in the industrial structure can be monitored over time.

RCA analysis functions in two planes. First, it shows Türkiye's actual competitive advantages by revealing the areas of specialization realized through export performance. Secondly, it allows comparison between the potential production structures implied by factor endowment and the observed industrial specialization.

While the strengthening of comparative advantage in more technology-intensive sectors simultaneously with the progress in factor equipment is interpreted as an indicator of structural adjustment; Despite the significant accumulation of factors, permanent specialization in low or medium technology sectors indicates that structural transformation remains limited.

## **2.3 Third diagnostic block: state facilitating and policy alignment**

Our third diagnostic component considers the role of the state in the structural transformation process not as an actor that allocates resources, but as an institutional framework that facilitates the adaptation process. According to the NSE, the main function of government intervention is to reduce the coordination problems that prevent firms from entering sectors in which they have latent comparative advantages.

In this context, institutional indicators such as regulatory quality, rule of law and perception of corruption; It is not considered as absolute performance criteria, but as

structural conditions that support or limit the transformation of the industrial structure. The institutional environment is considered together with the observed changes in the industrial structure and industrial leap initiatives, and how the facilitating role of the state actually works is analyzed.

This approach centers on institutional consistency rather than institutional excellence, aligning with the NSE's relational perspective on the government-market relationship.

## **2.4 Analytical strategy and periodization**

Our data-driven analysis follows a temporal and periodized diagnostic strategy rather than a horizontal-sectional comparison. The period 2000–2023 is divided into analytically significant sub-periods in relation to changes in Türkiye's macroeconomic conditions, policy directions, and the global economic environment.

In each sub-period, the following three elements are evaluated together:

1. Level and direction of factor equipment,
2. Transformation in industrial structure and comparative advantages,
3. The consistency of the institutional and policy framework of the state with this process.

This approach allows for the detection of different patterns over time, such as structural fit, early industrial leap, and institutional misfit; thus, the observed development results can be correlated with the causal logic of the NSE.

## **3 RESULTS**

The aim of this study is not to evaluate Türkiye's performance through a ranking or scoring; to reveal the periods of structural adjustment and incompatibility by looking at the consistency between competencies, industry results and the facilitating role of the state.

### 3.1 Factor endowment dynamics: what was Türkiye structurally ready for?

Within the New Structural Economics (NSE) framework, factor endowments are treated as the primary structural constraint shaping a country's feasible industrial path. Sustainable industrial upgrading is expected to occur only when improvements in human capital, physical capital, and infrastructure evolve jointly and reduce production costs in more technology-intensive activities. Accordingly, the first step of the analysis examines whether Türkiye's factor endowment structure changed in a way that could support higher value-added industrial specialization over the 2000–2023 period.

The empirical evidence shows that Türkiye experienced a sustained accumulation of both physical and human capital during this period. Fixed capital formation increased notably, particularly in the early 2000s, alongside improvements in production capacity and infrastructure. At the same time, rising higher education enrollment rates indicate a quantitative expansion of human capital, while increasing per capita energy consumption points to growing industrial and infrastructural capacity.

From an NSE perspective, these trends suggest that Türkiye gradually moved from a predominantly labor-abundant structure toward a mixed labor–capital endowment. By the late 2000s, the factor structure was no longer limited to low-technology activities, indicating latent comparative advantages in medium-technology manufacturing and selected knowledge-intensive sectors.

However, NSE emphasizes that factor accumulation alone is insufficient for successful structural transformation. In Türkiye's case, qualitative weaknesses—such as uneven R&D effectiveness, limited productivity gains from higher education, and weak complementarity between capital and skills—constrained the capacity for sustained upgrading. As a result, Türkiye entered the 2010s with partial readiness: an expanded factor base, but limited ability to support a durable high-productivity industrial transition. This assessment provides the benchmark for the analysis of industrial structure and state facilitation in the following sections.

Table 1 outlines the evolution of Türkiye's factor endowment structure, providing the structural benchmark against which subsequent changes in industrial specialization are evaluated. As in the rest of the study, Table 1 (and other tables) in line with the New Structuralist Economics approach, factor endowment is not based on fixed quantities or

a composite index; Directional transformations in capital accumulation, human capital and infrastructure capacity are considered as structural conditions that change over time and determine which production activities a country can maintain.

**Table 1**

*Dynamics of Factor Endowments in Türkiye (2000–2023)*

Period	Physical Capital Accumulation	Human Capital (Tertiary Education)	Infrastructure Capacity	Structural Implication
2000–2004	Low–Moderate	Low	Limited	Labor-intensive
2005–2009	Improving	Improving	Expanding	Transition phase
2010–2014	High	High	Improved	Medium-tech feasible
2015–2019	High but uneven	High	Adequate	Fragile readiness
2020–2023	Stagnating / volatile	High	Mixed	Partial misalignment

### 3.2 Industrial structure and revealed comparative advantage: what has Türkiye actually specialized in?

A core proposition of New Structural Economics (NSE) is that successful structural transformation requires a country's evolving factor endowments to be reflected in its industrial and export structure. Within this framework, comparative advantage is not assumed a priori, but revealed through actual production and export patterns. Accordingly, this section assesses whether Türkiye's industrial specialization evolved in line with its changing factor base over the 2000–2023 period.

The analysis draws on the concept of revealed comparative advantage (RCA) in the Balassa (1965) sense, but approaches it as an interpretive framework rather than a mechanically computed index. Instead of calculating RCA values, existing export data are examined through their technological composition to identify persistent specialization patterns and their consistency with factor endowment dynamics.

The findings show that Türkiye's export structure has remained persistently concentrated in low- and medium-technology manufacturing throughout the period under review. While this pattern was broadly compatible with factor conditions in the early 2000s, it became increasingly misaligned after the late 2000s. Despite improvements in

capital accumulation, higher education, and infrastructure, no sustained shift toward technology-intensive exports has occurred, and high-technology manufacturing has remained marginal.

From an NSE perspective, this outcome reflects structural inertia rather than successful upgrading. Growth episodes were not accompanied by durable changes in industrial structure, indicating a disconnect between factor accumulation and specialization. This breakdown in the transmission mechanism highlights the role of state facilitation and institutional alignment, which is examined in the following section.

**Table 2**

*Industrial Structure and Revealed Specialization Patterns in Türkiye*

Period	Dominant Export Technology	Direction of Change	Revealed Specialization Pattern	NSE Interpretation
2000–2004	Low-tech	Stable	Traditional manufacturing	Consistent
2005–2009	Low–Medium	Limited upgrading	Partial diversification	Conditional
2010–2014	Medium-tech	Weak shift	Incomplete upgrading	Fragile
2015–2019	Low–Medium	No structural change	Structural inertia	Misalignment
2020–2023	Low–Medium	Persistent stagnation	Locked-in structure	Misalignment

Table 2 examines whether the evolution of Türkiye's industrial and export structure reflected the changes observed in factor endowments, following the logic of revealed comparative advantage. Balassa type RCA values are not reported in this table. The table shows the patterns of specialization that have taken place through the technological distribution of exports, in line with the diagnostic logic of New Structuralist Economics.

### **3.3 The enabling role of the state and institutional incompatibility: why structural alignment failed**

Within the New Structural Economics (NSE) framework, the state is expected to play a facilitating—rather than directive—role by reducing coordination failures and enabling alignment between factor endowments and industrial structure. Institutional

quality is therefore assessed not in isolation, but in terms of its capacity to support structural upgrading.

Türkiye's experience reveals a clear misalignment in this regard. Despite substantial improvements in factor endowments since the early 2000s, the industrial structure failed to adjust accordingly. This outcome reflects not a lack of state involvement, but weaknesses in the effectiveness and direction of state facilitation. Increasing institutional volatility after the mid-2010s further undermined coordination capacity, raising uncertainty and discouraging long-term investment in more complex industries.

At the same time, industrial policy discourse increasingly emphasized high-technology upgrading without being matched by the institutional reforms and coordination mechanisms required to support such a transition. From an NSE perspective, this represents a case of premature policy ambition, where strategic objectives exceeded institutional capacity.

This diagnosis suggests that Türkiye's development constraint lies not in factor scarcity, but in insufficient alignment between capabilities, institutions, and policy orientation. These findings directly inform the policy implications discussed in the following section, which focus on restoring coherence between factor endowments, industrial structure, and the state's facilitating role as a prerequisite for sustainable structural transformation.

**Table 3**

*State Facilitation and Institutional Constraints in Türkiye*

Period	Policy Orientation	Institutional Environment	Coordination Capacity	NSE Assessment
2000–2004	Stabilization-oriented	Improving	Moderate	Supportive
2005–2009	Integration-focused	Improving	Adequate	Supportive
2010–2014	Upgrading rhetoric	Mixed	Limited	Fragile
2015–2019	High-tech ambitions	Deteriorating	Weak	Misaligned
2020–2023	Aspirational policies	Volatile	Fragmented	Misaligned

Table 3 links the observed patterns of industrial specialization to the state's facilitation capacity, highlighting the institutional constraints that weakened structural alignment. The institutional indicators in the table were evaluated in relation to industrial results.

### **3.4 Structural adjustment and non-adjustment periods in Türkiye between 2000-2023**

New Structuralist Economics views structural transformation as a dynamic and path-dependent process. Accordingly, a meaningful diagnostic assessment requires not only evaluating alignment across dimensions, but also examining how this alignment evolves over time. In this study, periods of misalignment are defined as phases in which improvements in factor endowments fail to generate lasting changes in industrial structure, and where this disconnect is not remedied by state facilitation.

Based on the joint evolution of factor endowments, industrial specialization, and institutional conditions, Türkiye's development trajectory between 2000 and 2023 is divided into three analytical sub-periods. This periodization allows for a clearer identification of structural fit, partial adjustment, and persistent misalignment within the NSE framework.

#### *3.4.1 2000–2008: conditional fit under factor constraints*

The early 2000s represent a phase of conditional structural fit. Türkiye's factor endowment was largely labor-intensive, with limited capital depth and infrastructure. Industrial specialization, as reflected in export patterns, remained concentrated in low- and medium-technology manufacturing. From an NSE perspective, this configuration was broadly consistent with existing factor constraints rather than indicative of structural misalignment.

During this period, the state's role focused mainly on macroeconomic stabilization, trade integration, and basic institutional reforms. Industrial policy ambitions remained limited and did not push the economy toward premature industrial upgrading.

As a result, growth performance, though externally financed and cyclical, was largely compatible with NSE expectations.

#### *3.4.2 2009–2013: transitional adjustment and latent upgrading potential*

The post–global financial crisis period marks a transitional phase. Capital accumulation, infrastructure investment, and higher education enrollment increased significantly, signaling the emergence of latent comparative advantages in more capital- and skill-intensive activities.

However, the industrial structure responded only partially. While some diversification occurred within medium-technology sectors, export patterns did not show a decisive shift toward higher value-added activities. Factor endowments evolved faster than industrial specialization, creating a fragile and incomplete alignment. From an NSE perspective, this period represented a window of opportunity for gradual upgrading, contingent on effective state coordination.

State facilitation during this phase remained uneven. Although policy discourse increasingly emphasized innovation and technology, institutional reforms and coordination mechanisms lagged behind, limiting the durability of structural adjustment.

#### *3.4.3 2014–2023: persistent misalignment and premature ambition*

After 2013, Türkiye entered a phase of persistent structural misalignment. Despite continued improvements in education and infrastructure, the industrial structure failed to internalize these changes. Export specialization remained concentrated in low- and medium-technology sectors, while high-technology activities stayed marginal.

At the same time, policy strategies became increasingly ambitious, emphasizing high-tech production and global competitiveness. These goals were not matched by improvements in institutional quality, regulatory predictability, or coordination capacity. Institutional volatility weakened the state’s facilitating role and increased uncertainty for private investment.

From an NSE diagnostic perspective, this period reflects a case of premature policy ambition, where strategic objectives exceeded both institutional capacity and

revealed industrial capabilities. Growth episodes relied on short-term stimuli rather than sustained productivity gains, increasing economic fragility.

Overall, the periodized analysis shows that Türkiye's development challenges stem not from insufficient factor accumulation, but from the inability to maintain consistent alignment between factor endowments, industrial structure, and state facilitation. Early conditional fit gave way to missed opportunities and deepening misalignment. Consistent with NSE, Türkiye's experience demonstrates that sustainable development depends less on the speed of industrial ambition than on coherence between capabilities, institutions, and strategic choices.

#### 4 POLICY IMPLICATIONS

Based on the diagnostic findings, several concise policy implications emerge within the New Structural Economics framework:

*Alignment over intervention:* Effective policy requires better alignment with structural conditions, not more intervention per se.

*Limits of factor accumulation:* Capital, education, and infrastructure alone do not ensure upgrading without institutional coordination.

*Comparative-advantage-based policy:* Industrial policy should follow revealed and latent comparative advantages, not unsupported high-tech ambitions.

*Facilitating state role:* The state should focus on coordination, learning, and lowering entry barriers rather than direct resource allocation.

*Institutions as a constraint:* Institutional quality is a binding structural condition shaping investment and transformation.

*Sequencing and coherence:* Sustainable upgrading depends on gradual sequencing and coherence between capabilities, institutions, and strategy.

#### 5 CONCLUSION

This study discusses Türkiye's development process in the 2000-2023 period within the framework of New Structuralist Economics. The analysis evaluates factor endowment, industrial specialization, and the role of the state together, examining how

the relationship between these elements has been shaped over time. This approach is not based on individual performance indicators; It offers an analytical evaluation aimed at understanding structural fit and incompatibility patterns.

The findings point to three main results. First, Türkiye's development problems cannot be explained by a scarcity of factors. The findings show that there has been a significant increase in physical capital accumulation, especially since the late 2000s, access to higher education has expanded and infrastructure capacity has improved significantly. From the perspective of the NSE, these developments point to the emergence of latent comparative advantages beyond the squeeze into low-tech and labor-intensive production. Therefore, Türkiye is not an economy that is structurally condemned to the traditional specialization pattern.

Secondly, despite this improving factor base, Türkiye's industrial structure has not been able to internalize these latent advantages. The revealed comparative advantage indicators point to a permanent specialization in low and medium technology manufacturing; reveals that there is no sustainable shift towards higher value-added sectors. The growth spurts in the period under review were largely disconnected from the structural industrial leap; Thus, the growth pattern without transformation was confirmed. Expressed in NSE terminology, the transmission mechanism between factor accumulation and industrial leap has become dysfunctional.

Thirdly, the facilitating role of the state in the explanation of this result is of decisive importance. The state in Türkiye has neither disappeared nor remained passive; on the contrary, the form of intervention has gradually moved away from the principles of the NSE. Industry and development strategies are oriented towards ambitious goals focused on high technology, which are not supported by institutional depth, coordination capacity and regulatory predictability. This has produced an early policy leap that exceeds both the declared comparative advantages of the economy and the institutional capacity of the state.

When these findings are evaluated together, it is seen that Türkiye's development bottleneck is not due to insufficient investment or low targets; It is seen that it is due to the inability to maintain the consistency between competencies, institutions and strategic preferences. New Structuralist Economics predicts that in cases where this consistency is disrupted, growth will become fragile, volatile, and increasingly dependent on external

conditions. Türkiye's experience, especially after 2013, largely coincides with this diagnosis.

Beyond the case of Türkiye, this study offers more general implications for how the structural transformation process in middle-income economies should be evaluated. It shows that New Structuralist Economics can be applied empirically with an evaluation framework that focuses on compliance rather than individual performance measures. This approach is not only whether growth has occurred; it also allows to examine whether it is structurally permanent and sustainable. Future studies may expand this framework with cross-country comparisons or sector-level analyses, providing additional contributions to the New Structuralist Economics literature.

As a result, the main emphasis of this study is that development is not so much about how quickly an economy aims to make an industrial leap, but about the extent to which these goals are compatible with the current structural conditions. While Türkiye's experience reveals how ignoring this harmony leads to fragile growth patterns; It also points out that restoring structural consistency can create significant gains.

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## ANNEXES

Factor Endowment Dynamics Data Indicator	Role in Calculation	Data Source
Agricultural Value Added (%GDP)	It represents the natural resource-intensive production structure in the initial stage of the economy.	TUIK
Electricity Consumption Per Person (kWh)	It shows the capacity of the energy infrastructure and its access to the industry/consumer.	International Energy Agency (IEA)

Higher Education Schooling Rate (%)	It shows the human capital equipment and the capacity for future innovation.	TUIK
R&D Expenditures (% GDP)	It shows the capacity of knowledge and technology production and innovation infrastructure.	World Bank
Fixed Capital Investments (% GDP)	It shows investments in production tools such as machinery, buildings, and infrastructure.	TUIK
Industry Value Added (%GDP)	It shows the level of transition from agriculture to industry, structural transformation.	TUIK

### *Industry Structure and Revealed Comparative Advantage Data*

<b>Indicator</b>	<b>Role in Calculation</b>	<b>Data Source</b>
<b>Industry Value Added (%GDP)</b>	It shows the level of transition from agriculture to industry, structural transformation.	TUIK
<b>High Tech Product Ratio (%Export)</b>	It measures the capacity of the production structure to produce high value-added products.	UN Comtrade, TUIK
<b>GDP Growth Rate (%)</b>	It gives an idea about the level and sustainability of macroeconomic growth.	TUIK
<b>Agricultural Value Added (%GDP)</b>	The decrease in the share of agriculture indicates the direction and depth of the transformation.	TUIK

### *The Facilitating Role of the State and Institutional Non-Compliance Data*

<b>Indicator</b>	<b>Role in Calculation</b>	<b>Data Source</b>
<b>Corruption Perception Index (CPI)</b>	It shows the level of transparency and accountability in public administration.	Transparency International
<b>Rule of Law Index</b>	It covers elements such as judicial independence and contract security.	Worldwide Governance Indicators DataBank
<b>Regulation Quality</b>	It reflects the quality and effectiveness of market regulations.	World Bank – WGI
<b>Ease of Doing Business Index</b>	It shows how easy and attractive the investment and business environment is.	World Bank – Doing Business
<b>R&amp;D Expenditures (% GDP)</b>	It measures the reflection of the directing capacity of the state on technology.	TUIK

**Authors' Contribution**

All authors contributed equally to the development of this article.

**Data availability**

All datasets relevant to this study's findings are fully available within the article.

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