

# Turkish Economic Review

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**2025 International Conference on Economic Research and Policy in Emerging Markets (ICERPEM 2025).**  
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**Abstract.** The International Conference on Economic Research and Policy in Emerging Markets (ICERPEM 2025) convened in Istanbul from September 15-18, 2025, as a pivotal platform for scholars, policymakers, and economic practitioners focused on the dynamics of emerging economies. With a program emphasizing applied research, policy evaluation, and regional economic trends, ICERPEM 2025 offered a unique opportunity to bridge academic theory with practical policy implications for emerging and transition economies, particularly Turkey and its regional neighbors. The conference published a comprehensive Abstract Book and Proceedings Book, providing an extensive archive of empirical studies, methodological approaches, and policy analyses highly relevant to the Turkish Economic Review. These Conference Notes synthesize the intellectual contributions, empirical insights, and policy debates that emerged during ICERPEM 2025. Key thematic areas include macroeconomic policy in emerging markets, structural reforms, financial stability, international trade, labor and inequality dynamics, regional integration, and sector-specific studies, all of which are closely aligned with the journal's scope.

**Keywords.** European Union Borders; Geopolitics; Conflictual World; Free Movement; Securitisation; Interdisciplinary European Studies; Rule of Law.

**JEL.** F13; F50; H77; K33; P52.

## Conference Notes

The conference opened with a keynote by Prof. Elif Karaca (Bilkent University), who outlined the major challenges and opportunities facing emerging economies in the post-pandemic, geopolitically fragmented global economy. Karaca emphasized three overlapping structural trends:

1. Global financial volatility affecting capital flows and exchange rate stability.
2. Transition to sustainable development, requiring integration of climate, energy, and environmental policies into macroeconomic planning.
3. Technological catch-up, highlighting digitalization and financial technology adoption as central to competitiveness.

The keynote framed the conference's focus on evidence-based policy recommendations, particularly in economies with partial institutional capacity and structural constraints.

## Macroeconomic Stability, Monetary Policy, and Inflation

**Inflation Dynamics:** Several empirical papers analyzed inflation trends in emerging markets post-2020. A panel study of 45 countries documented that inflation persistence is higher in economies with:

- Limited central bank independence,

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- High exposure to commodity price shocks,
- Less diversified export bases.

The Abstract Book contains detailed econometric results demonstrating the trade-offs between short-term stabilization policies and long-term growth objectives.

**Fiscal Sustainability:** Fiscal policy sessions highlighted debt dynamics and sustainability, particularly in middle-income countries. Notable findings include:

- Countries with effective fiscal councils display improved debt management and better investor confidence.
- Discretionary stimulus programs, while effective in the short term, exacerbate structural imbalances if not accompanied by institutional oversight.

These findings directly inform policy debates relevant to Turkey and other emerging economies.

## Financial Markets, Banking, and Capital Flows

A series of presentations examined the intersection of banking stability, financial innovation, and global capital mobility.

**Banking Sector Resilience:** Research presented from Central European and Middle Eastern economies demonstrated that robust regulatory frameworks, stress-testing protocols, and capital adequacy requirements mitigate systemic risk, even under volatile capital inflows.

**Foreign Direct Investment (FDI):** Empirical studies highlighted that political stability, legal predictability, and strategic sectoral policies significantly influence FDI inflows. Proceedings Book entries emphasized that emerging markets with predictable investment climates attract higher quality and longer-term capital.

## International Trade and Regional Integration

**Trade Diversification:** Multiple papers analyzed the role of export diversification in mitigating external shocks. Findings indicate that economies heavily reliant on a narrow set of commodities are significantly more vulnerable to price volatility, exchange rate shocks, and geopolitical risk.

**Regional Trade Agreements:** Conference presentations explored the economic impact of regional trade agreements (RTAs) in emerging markets, including the EU-Turkey Customs Union and Middle Eastern economic partnerships. Evidence showed:

- RTAs can increase intra-regional trade and stimulate productivity,
- Implementation challenges include regulatory harmonization and non-tariff barriers.

These insights are particularly relevant for policymakers designing trade strategies in transitional economies.

## Labor Markets, Inequality, and Social Policy

**Labor Market Flexibility:** Several contributions evaluated the impact of labor market reforms on employment, wage dynamics, and labor force participation. Studies indicated that:

- Moderate labor market flexibility can enhance productivity without significant social costs,

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- Excessive deregulation may exacerbate informal employment and inequality.

Inequality and Redistribution: Empirical findings from Latin America, the Middle East, and Turkey highlighted the effects of progressive taxation, social assistance programs, and education policies on reducing inequality. Key results include:

- Targeted social programs reduce poverty incidence more effectively than universal subsidies,
- Investment in human capital is strongly correlated with long-term inclusive growth.

## Sectoral and Structural Transformation

Industrial Policy and Technological Upgrading: A major theme was the role of industrial policy in emerging economies. Presentations highlighted case studies where strategic support for manufacturing, technology adoption, and export-oriented sectors led to sustainable productivity gains.

Agriculture and Rural Development: Several studies emphasized that agricultural productivity is closely linked to rural infrastructure, credit access, and knowledge dissemination. The Proceedings Book includes empirical evidence showing that smallholder integration into supply chains increases household income and resilience to climate variability.

## Digital Economy and Innovation Policy

The digital economy emerged as a cross-cutting theme, with multiple papers analyzing:

- E-commerce adoption and productivity gains,
- Digital finance and financial inclusion,
- Innovation clusters and knowledge spillovers in emerging markets.

Empirical results suggested that countries investing in digital infrastructure and regulatory frameworks experience faster productivity growth and higher investment rates.

## Methodological Innovations in Applied Economics

ICERPEM 2025 highlighted methodological rigor, particularly in econometric modeling, causal inference, and big data analysis:

- Panel Vector Autoregression (PVAR) models for macroeconomic policy evaluation,
- Synthetic control methods for evaluating regional reforms,
- Machine learning techniques for sectoral productivity prediction,
- Geo-spatial analysis for studying regional development disparities.

These methodological approaches enhance the quality of economic policy research and are well-documented in the conference Proceedings Book.

## Policy Roundtables and Recommendations

High-level policy sessions emphasized actionable insights:

1. Strengthening institutions is crucial for macroeconomic stability and long-term growth.
2. Structural reforms in trade, labor, and financial sectors must be sequenced carefully to minimize social disruption.
3. Regional cooperation enhances resilience against external shocks.

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4. Digital and human capital investments are central to sustaining competitiveness in emerging economies.
5. Evidence-based policymaking is most effective when informed by comprehensive economic databases and systematic literature synthesis.

These lessons are especially pertinent for Turkey, neighboring economies, and the broader emerging-market context.

## Concluding Reflections

The 2025 ICERPEM conference confirmed that the study of emerging economies requires an integrated approach, combining empirical rigor, policy relevance, and institutional analysis. The Proceedings Book and Abstract Book provide an extensive repository of studies demonstrating that macroeconomic policy, structural transformation, labor markets, trade integration, and digital innovation are deeply interconnected.

For the *Turkish Economic Review*, ICERPEM 2025 offers a rich and relevant set of findings:

- Empirical studies and policy simulations provide material for applied research publications.
- Methodological innovations serve as examples for research replication and bibliometric reviews.
- Regional case studies enhance the understanding of economic dynamics in Turkey and similar emerging economies.

In sum, the 2025 ICERPEM conference represents a significant contribution to applied economic research, providing a structured, evidence-based, and policy-oriented resource that aligns fully with the mission and scope of the *Turkish Economic Review*.



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