

**Czech University of Life Sciences Prague
Faculty of Economics and Management
Department of Economics**



Master's Thesis

**Economic Comparison of European Union
Countries and Turkey**

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DIPLOMA THESIS ASSIGNMENT

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Thesis title

Economic Comparison of European Union Countries and Turkey

Objectives of thesis

The main purpose of the thesis is to make an economic comparison between the European Union member countries and Turkey by using basic macroeconomic indicators. The second goal is to provide a new and current perspective to the literature by evaluating the economic indicators of these countries. While comparing the European Union countries and Turkey in many ways, the thesis will seek answers to some questions. Can the Turkish economy compete with the economies of European Union countries? Which country has been affected by the recent economic fluctuations and how much? It is aimed to seek answers to many other questions such as these questions and to make an assessment that concerns many countries.

Methodology

According to the purpose of the thesis, in this section, firstly an evaluation in terms of the European Union for the countries included in the model, then an evaluation including the indicators of the Turkish economy and finally a general interpretation of these two evaluations will take place.

A general comparison will be made between the studies in the literature and published for the same purpose, and what the common or opposite aspects of the prepared study are with these studies will be included.

The proposed extent of the thesis

60 – 80 pages

Keywords

GDP, European Union, Turkey, Macroeconomic Indicators, Economic Growth

Recommended information sources

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Declaration

I declare that I have worked on my master's thesis titled "Economic Comparison of European Union Countries and Turkey" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on 31/03/2023

Menekşe AZGAN

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Economic Comparison of European Union Countries and Turkey

Abstract

In this study, a comparison was made with Bulgaria, Romania and Croatia, which are the last members of the European Union, and Turkey, whose membership negotiations are still ongoing, based on macroeconomic indicators. In the comparison, the countries were compared both economically and the labor markets of the countries, which are the result of their economic conditions, were compared. In the comparison, GDP, GDP Growth, inflation and foreign trade indicators as macroeconomic indicators, labor force, labor force participation, unemployment, youth unemployment and female labor force participation as indicators of economic development and welfare, GNI per Capita and HDI indicators 2005 and 2021 compared with data between years. Bulgaria, Romania and Croatia, as members of the European Union (EU), are trying to comply with EU norms and rules in their economic policies. Turkey, on the other hand, is trying to converge to EU norms in its economic policies, as it is in the process of membership to the European Union. As a result of the study, it was seen that there was a significant improvement in the macroeconomic indicators of the EU member countries between 2005 and 2021. It has been observed that Turkey is behind the other three countries in indicators such as inflation and unemployment, which it has and cannot use population, labor and geographical advantages efficiently.

Keywords: Bulgaria, Romania, Croatia, Turkey, GDP, Inflation, Labor Force.

Ekonomické srovnání zemí Evropské unie a Turecka

Abstrakt

V této studii bylo na základě makroekonomických ukazatelů provedeno srovnání s Bulharskem, Rumunskem a Chorvatskem, které jsou posledními členy Evropské unie, a Tureckem, jehož jednání o členství stále probíhají. Při komparaci byly srovnávány země jak ekonomicky, tak byly srovnávány trhy práce zemí, které jsou výsledkem jejich ekonomických podmínek. V porovnání HDP, Růst HDP, inflace a ukazatele zahraničního obchodu jako makroekonomické ukazatele, pracovní síla, participace pracovní síly, nezaměstnanost, nezaměstnanost mladých a participace žen na pracovní síle jako ukazatele ekonomického rozvoje a blahobytu, HND na obyvatele a HDI ukazatele 2005 a 2021 ve srovnání s údaji mezi roky. Bulharsko, Rumunsko a Chorvatsko se jako členové Evropské unie (EU) snaží ve své hospodářské politice dodržovat normy a pravidla EU. Turecko se naproti tomu ve své hospodářské politice snaží přiblížit normám EU, protože je v procesu členství v Evropské unii. V důsledku studie bylo vidět, že došlo k výraznému zlepšení makroekonomických ukazatelů členských zemí EU mezi lety 2005 a 2021. Bylo pozorováno, že Turecko zaostává za ostatními třemi zeměmi v ukazatelích, jako je inflace a nezaměstnanost, které má a nemůže efektivně využívat populační, pracovní a geografické výhody.

Klicova slova: Bulharsko, Rumunsko, Chorvatsko, Turecko, HDP, inflace, pracovní síla.

Table of content

1. Introduction	11
2. Objectives and Methodology	12
2.1. Objectives.....	12
2.2. Methodology	12
3. Literature Review	14
3.1 Bulgaria	14
3.1.1 Geography of Bulgaria.....	14
3.1.2 History of Bulgaria.....	16
3.1.3 Demographic Structure of Bulgaria	17
3.1.4 Economic Development of Bulgaria.....	18
3.2 Romania	20
3.2.1 Geography of Romania	20
3.2.2 History of Romania	21
3.2.3 Demographic Structure of Romania	22
3.2.4 Economic Development of Romania	24
3.3 Croatia	25
3.3.1 Geography of Croatia.....	25
3.3.2 History of Croatia.....	27
3.3.3 Demographic Structure of Croatia	28
3.3.4 Economic Development of Croatia.....	29
3.4 Turkey	30
3.4.1 Geography of Turkey	30
3.4.2 History of Turkey	33
3.4.3 Demographic Structure of Turkey	34
3.4.4 Economic Development of Turkey	35
3.5 Macroeconomic Indicators	37
3.5.1 Gross Domestic Production	37
3.5.2 Gross Domestic Production Growth	38
3.5.3 Gross National Income Per Capita.....	39
3.5.4 Labor Market and Unemployment Rate.....	40
3.5.5 Inflation Rate.....	42

3.5.6	Foreign Trade	43
3.5.7	Human Development Index	44
4	PRACTICAL PART.....	46
4.1	Comparison of GDP (2005-2021)	46
4.2	Comparison of GDP Growth (2005-2021)	47
4.3	Comparison of GNI Per Capita (2005-2021)	49
4.4	Comparison of Labor Markets (2005-2021)	51
4.5	Comparison of Inflation Rate (2005-2021)	62
4.6	Comparison of Export Goods and Services (2005-2021)	64
4.7	Comparison of Import Goods and Services (2005-2021)	65
4.8	Comparison of Human Development Index Data (2005-2021)	66
5	RESULTS AND DISCUSSION.....	67
6	CONCLUSION.....	71
7	REFERENCES.....	73

List of tables

Table 1. 2005-2021 Tourism Statistics of Bulgaria	15
Table 2. 2005-2021 The Population Statistics of Bulgaria.....	18
Table 3. 2005-2021 Sectoral Distribution of Bulgaria GDP	19
Table 4. 2005-2021 The Tourism Statistics of Romania	21
Table 5. 2005-2021 The Population Statistics of Romania	23
Table 6. 2005-2021 Sectoral Distribution of Romania GDP	25
Table 7. 2005-2021 The Tourism Statistics of Croatia	26
Table 8. 2005-2021 The Population Statistics of Croatia	29
Table 9. 2005-2021 Sectoral Distribution of Croatia GDP	30
Table 10. 2005-2021 The Tourism Statistics of Turkey.....	32
Table 11. 2005-2021 The Population Statistics of Turkey.....	35
Table 12. 2005-2021 Sectoral Distribution of Croatia GDP.....	36
Table 13. The GDP Data of Selected Countries in 2005-2021 (Current Million US \$).....	46
Table 14. The GDP Growth Data of Selected Countries in 2005-2021 (Annual %).....	48
Table 15. The GNI Per Capita Data of Selected Countries in 2005-2021	50
Table 16. Total Labor Force of Selected Countries (2005-2021)	51
Table 17. Total Labor Force Participation Rates of Selected Countries (2005-2021)	52
Table 18. Female Labor Force of Selected Countries (% of Total Labor Force) (2005-2021)	53

Table 19. Total Unemployment Rates of Selected Countries (% of Total Labor Force) (2005-2021)	54
Table 20. Descriptive Statistics of Dataset	55
Table 21. The Results of Kolmogorov-Smirnov Tests	57
Table 22. The Results of Simple Linear Regression (Bulgaria)	58
Table 23. The Results of Simple Linear Regression (Croatia)	59
Table 24. The Results of Simple Linear Regression (Romania)	59
Table 25. The Results of Simple Linear Regression (Turkey)	60
Table 26. Total Youth Unemployment Rates of Selected Countries (% of Total Labor Force Ages 15-24) (2005-2021)	61
Table 27. Total Female Unemployment Rates of Selected Countries (% of Female Labor Force) (2005-2021)	62
Table 28. The Inflation Rate Data of Selected Countries in 2005-2021	63

List of figures

Figure 1. The GDP Data of Selected Countries in 2005-2021 (Billion US \$)....	47
Figure 2. The GDP Growth Data of Selected Countries in 2005-2021.....	49
Figure 3. The GNI per Capita Data of Selected Countries in 2005-2021.....	50
Figure 4. The Graphs of Variables for Selected Countries.....	55
Figure 5. The Inflation Rate Data of Selected Countries in 2005-2021.....	63
Figure 6. The Export Data of Selected Countries in 2005-2021 (% GDP)	64
Figure 7. The Import Goods and Services of Selected Countries in 2005-2021 (%GDP)	65

List of abbreviations

GDP	: Gross Domestic Product
GNI	: Gross National Income
TURKSTAT	: Turkish Statistical Institute
HDI	: Human Development Index

1. Introduction

In the 21st century we live in, the globalization process, accelerated by the effects of developments in science and technology, causes changes and transformations in economic, political and social fields between countries as well as within the country. The world is globalizing on the one hand and interregional integration on the other. In this new world order, the European Union (EU) has been the most successful regional integration movement. The European Union (EU) was conceived as a solution to the problems that emerged due to conflicts and wars in the second half of the 18th century and was founded on this idea.

The strength of the European Union in the international economy with its performance over time has made it attractive for other countries to take part in this bloc. There are some criteria that the European Union (EU) expects candidate and member countries to fulfill. The three criteria (political, economic and cohesion criteria) that must be met in order to become a member of the EU are known as the Copenhagen Criteria. The Copenhagen economic criterion requires the existence of a functioning market economy in the candidate country's economy and the capacity to cope with competitive pressure and market forces within the Union. Currently, the economic criteria that EU member states must meet in order to be included in the Economic Monetary Union (EMU) area are called the Maastricht Convergence Criteria. These consist of monetary criteria (inflation, interest and exchange rate) and financial criteria (budget and debt).

In this thesis, it is aimed to compare the economic indicators of Croatia, Bulgaria and Romania, which met the European Union criteria and finally entered the EU, and Turkey, which is still a candidate country. In this context, in the first part of the thesis, economic structures, history and general profiles of these countries will be given, and then theoretical information about the macroeconomic indicators to be used in economic comparisons. In the practical part, countries will be compared based on macroeconomic indicators.

2. Objectives and Methodology

2.1. Objectives

The aim of this thesis is to compare Turkey and selected EU countries from economic point of view. In the thesis, Croatia, Bulgaria and Romania, which were the last EU member states, were selected as EU countries. Comparison of these countries will be made for the period 2005-2021.

The objects created for the purpose of the thesis are as follows.

- To examine the macroeconomic indicators of selected countries between 2005-2021,
- To make comparisons by examining the changes in the economic situation of Bulgaria, Romania, Croatia and Turkey between 2005 and 2021.
- To identify the differences and similarities in the economic structures of Bulgaria, Romania, Croatia and Turkey.
- To comparison based on analyzing the labor market of Turkey and selected EU countries (Bulgaria-Romania-Croatia) for the period 2005-2021.

2.2. Methodology

In this study, three countries from the European Union were selected, together with Turkey, for the comparison of macroeconomic indicators. The selected countries are Bulgaria, Romania and Croatia, which were the last to join the European Union. In order to be able to compare countries from economic point of view, it is important to know the historical development, economic structures and demographic structures of the countries. For this reason, in the study, primarily the geography, history, demographic and economic structures of these four countries will be examined and a literature review will be made within this framework.

Macroeconomic indicators, which are frequently used in the literature, will be used for economic comparison of countries. The indicators to be used are:

- Annual GDP (real GDP),
- GDP Growth (%),

- GNI per capita,
- Labor Force,
- Inflation rate,
- Human Development Index
- Export and import indicators.

These indicators will be analyzed using the statistical method using data from 2005 to 2021. In order to ensure standardization in the data to be used in the analysis, Current will be analyzed in US\$ and as an annual percentage, and all data will be obtained from the same data banks. Data banks of international organizations such as World Bank, ILO, OECD and Eurostat will be used to collect data.

In the study, economic GDP, GDP Growth, Inflation and foreign trade indicators will be discussed in the economic comparison of countries, GNI Per Capita and HDI index as a development indicator will be discussed, and the labor market, which is a result of these indicators, will be compared. In addition, in order to make a comparison by analyzing the effect of unemployment rates, which is an important macroeconomic variable, on the GDP of countries, the relationship between unemployment rates and GDP was examined by simple linear regression analysis method. In the method, annual unemployment rates and GDP data of countries between 2005 and 2021 were used. Analyzes were made using the SPSS program.

3. Literature Review

In a world where competition between countries is fierce, it has become inevitable for countries to first determine their economic performance and determine the difference between them and other countries. In determining the situation of countries according to economic indicators, it is necessary to take into account many factors that are different, independent from each other or affect each other. Measuring the current economic performance of the EU member states and Turkey, which is a candidate country, may be the main factor in determining the policies within the Community, and it will be the main basis for the countries to evaluate their own situation and to determine the indicators that need to be emphasized more. In order to understand the economic situation of the countries, it is necessary to know the history, geography and demographic structure of the countries. In this respect, in this section, the history, geography, demographic structures and economic conditions of the four selected countries will be briefly discussed.

In the first part of this section, general information will be given about the history, geography, economic structure and EU accession processes of Bulgaria, Romania, Croatia and Turkey, which are the four countries to be compared within the scope of the thesis. Then, general information will be given about the definitions of macroeconomic variables that will be used while making economic comparisons, the purpose for which they are used and the information they give about the countries.

3.1 Bulgaria

3.1.1 Geography of Bulgaria

Located in Southeast Europe, Bulgaria is surrounded by Romania in the north, Serbia and North Macedonia in the west, Greece and Turkey in the south, and the Black Sea in the east. Bulgaria, which has a mountainous and hilly geography in general, has a surface area of 111 thousand square kilometers. The Stara Planina, Rila and Pirin mountains are the most well-known mountains, and the Stara Planina mountains form almost half of the country's northern border. The highest peak of the country is Mount Botev, one of these mountains. Rila and Pirin mountains are also located in the southwest of the country. These mountains are full of high peaks, glaciers, and lakes. The largest rivers of my country are the Danube and Maritsa rivers. These rivers flow from the west to

the east of the country. The Black Sea coast is located in the eastern part of the country. These beaches form the flattest part of the country. Located on the Black Sea coast, the city of Varna is also the country's largest port city (Nedkov et al., 2021).

The climate of the country is a transitional climate with both continental and Mediterranean climate characteristics. While there is a temperate climate in the Black Sea coast, a continental climate prevails in the interior of the country. In the interior of the country, summers are hot and dry, and winters are cold and snowy. The geography of the country can be considered very rich in terms of tourism, with both natural beauties and historical buildings. Especially mountainous regions in the country are interesting in terms of snow tourism. In addition, the cities of Sofia, Plovdiv, Varna and Burgas attract thousands of tourists every year with their historical structures and natural beauties. However, the Black Sea coasts are also a source of income for the country in terms of sea tourism (Nikolova et al., 2021).

The number of foreign tourists coming to the country has more than doubled in the last 15 years.

Table 1. 2005-2021 Tourism Statistics of Bulgaria

Year	Number of Foreign Tourists	Tourism Revenues (million USD)
2005	4,008,144	1,862
2006	5,078,979	2,229
2007	5,878,083	2,806
2008	6,481,313	3,494
2009	5,791,853	3,112
2010	6,308,859	3,266
2011	7,001,993	3,937
2013	7,014,787	3,688
2014	7,569,282	3,790
2015	8,229,649	3,994
2016	8,882,048	4,586
2017	9,273,096	5,135
2018	9,296,711	5,406
2019	9,316,307	5,792
2020	3,383,381	1,303
2021	3,593,089	1,521

Source: OECD, 2022

As can be seen from the table above, the number of tourists visiting Bulgaria has more than doubled in the last 16 years, while tourism revenues have increased nearly three times. However, the tourism industry has had a tough time in recent years, especially in 2020 and 2021, due to the COVID-19 pandemic. During this period, the number of foreign tourists and tourism revenues decreased significantly. Bulgaria's tourism sector has grown, especially with the interest of tourists from countries such as Russia, Germany, England, Poland and Romania. The tourism sector remains an important resource for the Bulgarian economy. Bulgaria attracts tourists with its natural beauties, historical places, ski resorts and seaside resorts.

3.1.2 History of Bulgaria

Bulgaria is a country located in the Balkans and has a long history. Its history has hosted different civilizations since ancient times. Bulgaria's history hosted different cultures such as Thrace and Macedonia in ancient times. During this period, one of the greatest civilizations in the region was the Thracians. The Thracians established many cities in the region, and among these cities was their capital, Seuthopolis. In the 4th century BC, Alexander the Great expanded the Kingdom of Macedonia against Thrace and the Persian Empire further west. During this period, one of the most important cities in the region was Plovdiv (Bularian Ministry of Tourism, 2022).

Bulgaria was home to different cultures in the middle ages, such as the Huns, Goths, Slavs, Bulgars, and the Byzantine Empire. In 681, the Bulgarians came to the region and established the Kingdom of Bulgaria in the south of the Danube River. During this period, Bulgaria suffered frequent wars with the Byzantine Empire and was conquered by the Byzantine Empire in 1018. Later, in 1185, the Bulgarians regained their independence, establishing the Second Bulgarian Empire. During this period, one of its capitals, Veliko Tarnovo, became a cultural and artistic center. In the 14th century, the Bulgarian Empire was conquered by the Ottoman Empire and became a province of the Ottoman Empire for 500 years. Bulgaria gained its independence from the Ottoman Empire in the 19th century and officially became a kingdom in 1908, and Ferdinand I ascended the throne (Crampton, 2018).

After becoming a kingdom, Bulgaria joined the Balkan Wars against the Ottoman Empire in 1914 and the First World War. II. During World War II, Bulgaria entered the war in alliance with Nazi Germany. However, it was occupied by the armies of the Soviet Union in 1944 and became a socialist state. In 1989, Bulgaria switched from a socialist regime to a democratic government. During this period, Bulgaria made an effort to become a member of the European Union and NATO. Bulgaria, which became a member of NATO in 2004, became a member of the European Union in 2007. During this period, Bulgaria carried out many economic and political reforms (National Archives of Bulgaria, 2022).

3.1.3 Demographic Structure of Bulgaria

The population of Bulgaria is one of the countries with the highest population in the Balkans. As of 2022, the population of Bulgaria is approximately 6.9 million. About 72% of them live in cities. The capital Sofia is the largest city in terms of population and has a population of around 1.2 million. Bulgaria is home to different ethnic groups. Bulgarians constitute the largest ethnic group in the country, with a proportion of approximately 84% (National Statistics of Bulgaria, 2022). Turks, Roma and Pomaks are other important ethnic groups. There are also various minority groups in Bulgaria. The official language of Bulgaria is Bulgarian and it is spoken throughout the country. Other languages such as Turkish, Romanian and Pomak are also spoken regionally. Orthodox Christianity is common in Bulgaria. Orthodox Christianity is the most common religion among Bulgarians, accounting for about 59%. Other important religious groups are Muslims, Catholics and Protestants (Sabev, 2002).

Bulgaria is a member state of the European Union and its population is still medium compared to other parts of Europe. However, in recent years, the population growth rate in Bulgaria has slowed and the country has an aging population. This situation may create a worrying situation about the future demographic structure of Bulgaria (National Statistical Institute of Bulgaria, 2022).

The country's total population statistics for the years 2005-2021 are shown below.

Table 2. 2005-2021 The Population Statistics of Bulgaria

Year	Total Population	Annual Population Growth(%)
2005	7,767,045	-0.46
2006	7,680,038	-1.12
2007	7,601,966	-1.02
2008	7,534,811	-0.89
2009	7,492,355	-0.56
2010	7,454,843	-0.5
2011	7,407,624	-0.63
2012	7,364,570	-0.58
2013	7,326,099	-0.52
2014	7,291,675	-0.47
2015	7,257,938	-0.46
2016	7,219,732	-0.53
2017	7,176,050	-0.61
2018	7,101,859	-1.03
2019	7,000,039	-1.44
2020	6,948,445	-0.73
2021	6,905,218	-0.62

Source: National Statistical Institute of Bulgaria, 2022; own processing

3.1.4 Economic Development of Bulgaria

The Bulgarian economy has an economic structure based mostly on the service sector and the export-based industry sector. Although agriculture is an important economic resource in the country, its contribution to the country's economic growth is more limited than other sectors. The most prominent areas in the service sector of the country are the tourism and logistics sectors. The fact that the country is a transit route due to its strategic location has caused the country to become an important logistics center for the Balkans. However, as stated in the section on the geography of the country, the country is an important tourism center. Therefore, tourism has an important place in the country's economy. In the industrial sector of the country, sectors such as automotive, electronics, food and medicine come to the fore. Investments in these sectors have led to a significant export volume in the country's economy. The industrial sector has an important place in terms of both employment and economic growth of the country. The change in the

country's GDP distribution in terms of industry, agriculture and services is shown below (Rangelova & Bilyanski, 2018).

Bulgaria has become very attractive for foreign investors with its low interest and low taxation policies since the 2000s. With its entry into the European Union in 2007, an important economic development has been experienced. Although the country's growth was affected by the economic crisis in 2008 and experienced a fluctuation in this period, it managed to recover in the following years (Stoilova, 2013). The country's GDP and economic growth rates between 2000 and 2021 are shown below.

Table 3. 2005-2021 Sectoral Distribution of Bulgaria GDP

Sector	2005 (%)	2010 (%)	2015 (%)	2021 (%)
Agriculture	7.9	6.9	4.4	4.2
Industry	28.7	27.6	27.8	27.5
Services	63.4	65.5	67.8	68.3

Source: Eurostat, 2022; own processing

As can be seen from the table above, while the contribution of the agricultural sector to GDP has decreased in the last 16 years, the ratio of the industry has remained stable and an increase has been observed in the service sector.

The country, along with EU membership, has provided investment opportunities and export potential. However, the country's labor market is limited by the lack of workers with adequate skills and training. Bulgaria is located in a strategic position. The country is a bridge between Europe and Asia and is located in an important region in terms of transportation network. This is an important advantage for the logistics industry. However, Bulgaria's energy dependence may jeopardize its economic security (Stoilova, 2013). Bulgaria's strategic location, EU membership, low tax policies and foreign investments provide important opportunities for economic growth. However, difficulties such as the country's labor market and energy dependency are negative parameters for Bulgaria's economic performance (Rangelova & Bilyanski, 2018).

3.2 Romania

3.2.1 Geography of Romania

Geographically located in the central and southeastern part of Europe, Romania is located at the intersection of the Balkans and the Carpathian mountains. Its area is 238,391 km² in total, making it the ninth largest country in Europe with this size. The country is bordered by Hungary in the northwest, Moldova and Ukraine in the east, and Serbia in the south. On the eastern side of the country is the Black Sea. The location of the country also makes its geographical features variable (Dumitrascu et al., 2014).

On the eastern slopes of the country are the Carpathian Mountains. The Carpathian Mountains are among the places that attract the most tourists with their natural beauties in Romania. The high mountain peaks, forests, rivers, glacial lakes and caves in these mountains offer a fascinating natural landscape for visitors. There are wide plains in the north and west of the country. These plains have very fertile agricultural areas. Transylvania, which is among the most touristic places of the country, is located in the northwest of the country and has many natural beauties (Alexandrescu & Pascariu, 2015).

Romania's longest rivers are the Danube, Siret, Prut, Mures and Olt. These rivers provide an important habitat for Romania's natural beauty and wildlife. The Danube is the largest river that flows into the Black Sea and forms part of Romania's eastern border. While the Siret River forms a natural border between Moldova and Romania, the Prut River is a natural border between Moldova and Romania (Alexandrescu & Pascariu, 2015).

Romania's Black Sea coast is 245 km long and is one of Romania's most important tourist destinations. The eastern Black Sea coast is famous for its sandy beaches, coves and historical sites. Mamaia, Eforie, Neptun, Olimp and Costinesti are the most famous resorts in Romania. Romania also has many lakes, caves and thermal springs. Romania's largest lake, St. Main Lake. The lake is a touristic place and has an important place among Romania's natural beauties. Peștera Scarisoara, Peștera Muierilor, Peștera Vantului and Peștera Coliboaia are the most famous caves in Romania (Dumitrascu et al., 2014).

Romania's geographical location, rich natural resources and touristic places make the country an important place in terms of tourism. The country attracts many tourists with its historical and cultural heritage, natural beauties and rich wildlife. The number of

foreign tourists and tourism income of the country between 2005 and 2021 are shown below.

Table 4. 2005-2021 The Tourism Statistics of Romania

Year	Number of Foreign Tourists	Tourism Revenues (Million Euros)
2005	4,747,000	1,758
2006	5,662,000	2,219
2007	6,748,000	2,730
2008	7,321,000	3,060
2009	6,674,000	2,848
2010	7,138,000	3,186
2011	7,599,000	3,353
2012	8,316,000	3,788
2013	8,900,000	4,242
2014	9,332,000	4,567
2015	9,329,000	4,973
2016	9,625,000	5,293
2017	9,494,000	5,799
2018	10,638,000	6,774
2019	11,468,000	7,421
2020	3,168,000	1,580
2021	5,217,000	2,637

Source: OECD, 2022

When the table given above is examined, it is seen that the country has come a long way in the last 15 years in terms of both income and number of tourists. However, as in the whole world, 2019 and 2020 in Romania were very negative in terms of tourism due to the restrictions imposed due to Covid 19.

3.2.2 History of Romania

Romania is a country located in the east of Europe and has been exposed to many different cultural influences throughout its history. Ruled by many different powers such as the Roman Empire, the Byzantine Empire, the Ottoman Empire, and the Austro-Hungarian Empire, Romania has gone through many different periods throughout its history.

Romania's antiquity begins with the Roman conquest of Dacia. Invading the Kingdom of Dacia in 106 BC, the Roman Empire ruled Dacia for 165 years. The Romans built many important structures in Dacia and contributed greatly to the development of the

area. However, with the collapse of the Roman Empire, Dacia was dissolved and the region remained unstable for a long time (Hitchins, 2014).

In the 9th century, when the Bulgarians took over the region, a new era began in Romania, and in the 12th century, the country became a part of the Kingdom of Hungary. The Ottoman Empire's conquest of Romania in the 16th century is one of the most important historical events in the region. Romania, which came under the rule of the Ottoman Empire, remained under Ottoman rule for 300 years. The Ottomans built many new structures in Romania and made the area commercially important. The Greek War of Independence, which started in 1821, was also the trigger for the nationalist movements in Romania. Romania faced demands for independence and nationalism during the Revolutions of 1848. During this period, Romania's nationalist leaders fought for the independence and unification of the region. Romania gained its independence after the Russo-Turkish War of 1877-1878. During this period, Romania began to take its place among the powerful states of Europe and progressed towards becoming a modern state. Romania participated in World War I and took Transylvania from Hungary after the war. The 1920s and 1930s were a period of economic and cultural development in Romania (Medelski & Libman, 2002).

However, II. In World War II, Romania took the side of Germany and suffered great losses. At the end of the war, Romania came under the influence of the Soviet Union and became part of the iron curtain. In 1989, with the revolution in Romania, the communist regime was overthrown and Romania became a democratic country. Romania joined NATO in 2004 and the European Union in 2007, reaching a stronger position in the international arena (Popescu, 2022).

3.2.3 Demographic Structure of Romania

Romania has a very diverse demographic structure. There are people from many different ethnic backgrounds and speaking different languages in the country. Romania's population is approximately 19.5 million people, with a population density of 83 people per square kilometer. The majority of the population lives in cities. Bucharest is the largest city and capital of Romania. 55% of the population lives in cities and 45 percent lives in rural areas. Although 86 percent of the country's population is of Romanian origin,

different ethnic groups also live throughout the country. The largest minority groups are Hungarians, Romanians, Roma, Germans and Turks. Hungarians are one of the largest minority groups in Romania. They make up about 6 percent of the population and are concentrated in the Transylvanian region of the country. Roma, on the other hand, form a minority of 3 percent and live in the poorest parts of the country. Germans, on the other hand, make up 1 percent of the population and live in different regions, primarily in the Transylvania region. Turks, on the other hand, make up 0.2 percent of the country and are especially concentrated in the Dobrudja region (Badescu & Boia, 2014).

The official language of Romania is Romanian. However, the languages spoken by different ethnic groups in the country are also respected. Hungarian, Turkish, German and Romani are also among the languages spoken in the country (Paulet-Crainiceanu & Lungu, 2017). Population distribution according to age groups in Romania is quite balanced. 16% of the population is between the ages of 0-14. 68% are between the ages of 15-64 and 16 percent are 65 years or older. However, this distribution also means that the country has an aging population. Population information of the country is shown below.

Table 5. 2005-2021 The Population Statistics of Romania

Year	Total Population	Annual Population Growth
2005	21,539,000	-
2006	21,460,000	-0.37%
2007	21,385,000	-0.35%
2008	21,313,000	-0.34%
2009	21,239,000	-0.35%
2010	21,159,000	-0.38%
2011	21,041,000	-0.56%
2012	20,935,000	-0.50%
2013	20,831,000	-0.50%
2014	20,727,000	-0.50%
2015	20,609,000	-0.57%
2016	20,501,000	-0.52%
2017	20,382,000	-0.58%
2018	20,263,000	-0.58%
2019	20,118,000	-0.71%
2020	19,952,000	-0.83%
2021	19,798,000	-0.77%

Source: United Nations Population Division, 2022; own processing

As can be seen from the table above, the population of the country has decreased by nearly 2 million in the last 16 years. The fact that the population of the country is both aging and in a decreasing trend may pose a problem especially in terms of workforce and economic development in the future (Paulet-Crainiceanu & Lungu, 2017).

3.2.4 Economic Development of Romania

Romania has a very important place in terms of regional economy. Romania has transitioned to democratization and free market economy after the revolution in 1989. In this period, privatization, liberalization and market economy policies were implemented. These policies increased economic growth and began to attract foreign investments. Romania has experienced rapid economic growth, especially since the 2000s. Unemployment rate fell, income levels increased and foreign investors came to the country. Romania became a member of NATO in 2004 and the European Union in 2007. This enabled the country to reach a stronger position in the international arena.

Romania is an industrial-agricultural country undergoing a transition from a planned economy to a market economy. From 1946 to 1989, the Romanian Communist Party dominated Romania's political and economic administration. As in most former socialist countries in the Balkans, the economic crisis in Romania has intensified since the fall of the country's totalitarian regime. Industry, decline in agricultural production, negative changes in the employment structure, high inflation, and increasing foreign debts were among the most important problems of the country in the transition from the central economy to the market economy. In the first half of the 1990s, Romania lagged behind most eastern European countries in implementing market economy mechanisms. After the first major crisis in 1994, some recovery and gradual development began in the Romanian economy, especially in sectors such as metallurgy, electricity, chemical industry, machine building, coal, oil and natural gas. In the agricultural sector, it quickly recovered after the initial crisis fall in its production, especially crop production. Agriculture, one of the oldest industries in Romania, produces human food vital for direct consumption and raw materials for light industry (Toma, 2010). About 40% of the total workforce in European Union (EU) agriculture is concentrated in countries such as Romania and Poland. Since 2010, the Romanian government has taken decisive measures to invest in agriculture. For

example, while the agricultural sector received 3.3 billion euros from the government in 2011, this figure increased to 4.2 billion euros in 2018. This situation affected the modernization of agriculture and enabled the implementation of medium and long-term plans to make agriculture an important economic growth tool in Romania (Anghelache & Dumitrescu, 2015). The change in the distribution of the country's industry, agriculture and service sectors in GDP is shown below.

Table 6. 2005-2021 Sectoral Distribution of Romania GDP

Year	Agriculture (%)	Industry (%)	Services (%)
2005	7.8	32.3	59.9
2010	6.3	34.1	59.6
2015	6.2	33.3	60.5
2021	5.5	31.9	62.6

Source: The World Bank Databank, 2022; own processing

When the table given above is analyzed, there is a decrease in the country's GDP in the agricultural sector, while there is an increase in the industrial sector. In this respect, it can be said that the country is in a development phase.

3.3 Croatia

3.3.1 Geography of Croatia

Croatia is a country located in the southeastern part of the Balkan Peninsula. Located on the coast of the Adriatic Sea, Croatia has a surface area of 21,851 km² and borders Bosnia and Herzegovina, Serbia, Montenegro and Slovenia along its borders. Croatia is located on a gently sloping slope towards the Adriatic Sea. The coastline of the country is very indented and therefore contains many coves, peninsulas and islands. The highest mountain in Croatia is Mount Dinara and is located in the eastern part of the country with an elevation of 1,831 meters. In addition, mountains such as Velebit, Biokovo, Učka and Sniježnica are also located within the borders of the country (Kuhn, 2016). Croatia is located in the transition zone between continental and Mediterranean climate. Along the coastline, a Mediterranean climate is seen, with hot and dry summers and mild and rainy winters. In the interior, a harsher continental climate prevails. In these regions, winters are harsh and snowy, and summers are hot and dry. In mountainous regions, a cold and snowy climate is usually observed (Kuhn, 2016). In Croatia, there is a

geography dominated by karst rocks. This results in the formation of abundant underground water and caves in the country. The most important rivers of Croatia are the Drava, Sava and Kupa rivers. These rivers are located in the eastern, northern and western parts of the country. Besides, many lakes and streams are also located in Croatia, such as the Plitvice Lakes National Park. In terms of vegetation, it is seen that Mediterranean vegetation is dominant in the country. Pine forests, olive trees, maquis and grasslands can be seen along the coastline. In the interior, there are forests, pastures and meadows (Bilandzic et al., 2016). Agriculture occupies an important place in the rural part of the country. In this sector, mostly grapes, olives, wheat, corn, sunflower, potatoes, tomatoes, onions, cabbage and carrots are grown. Tourism is an important source of income for the Croatian economy. The country's coastline, beautiful beaches, historical and cultural heritage, national parks and natural beauties are visited by millions of tourists every year (Kuhn, 2016). The number of tourists and tourism revenues of the country between 2005 and 2021 are presented below.

Table 7. 2005-2021 The Tourism Statistics of Croatia

Year	Number of Tourists (Millions)	Tourism Revenues (Billion Euros)
2005	9,995,000	4.1
2006	10,385,000	4.7
2007	11,162,000	5.2
2008	11,261,000	6.0
2009	10,935,000	5.1
2010	10,604,000	6.2
2011	11,455,607	7.0
2012	11,835,160	6.9
2013	12,433,727	7.4
2014	13,128,416	7.8
2015	14,343,323	8.9
2016	20,120,300	9.8
2017	17,430,580	10.4
2018	18,666,580	11.5
2019	23,566,146	12.9
2020	7,800,000	1.5
2021	11,200,000	8.1

Source: The World Bank Databank, 2022

When the table given above is examined, it is seen that Croatia's tourism revenues and the number of tourists are in a regular increase. It is seen that tourism income, which was 4.1 billion dollars, increased more than 3 times in 2019 and reached 12.9 billion dollars. Although there is a significant decrease in 2020 due to Covid 19, it is seen that a rapid recovery process has started again in 2021.

3.3.2 History of Croatia

Croatia is a Balkan country located on the coast of the Adriatic Sea. Croatia, whose history goes back to ancient times, has hosted many civilizations. The history of Croatia dates back to ancient Roman times. During this period, Croatia was recognized as a province of the Roman Empire. BC during the reign of Emperor Augustus. In 35 BC, Roman troops were first settled on the territory of present-day Croatia. During this period, Croatia occupied an important position within the Empire's territory, and many roads and ports were built. At the same time, many historical buildings were built in Croatia in antiquity. Among these, structures such as Diocletian's Palace and Arena di Pula have been preserved until today (Stambuk, 2011).

In the Middle Ages, Croatia became an independent state under the leadership of the Croatian Prince Domagoj. However, in 925, Croatia became part of the Kingdom of Hungary. During this period, Croatia became an important trade center and suffered many invasions and attacks due to its location on trade routes. Zagreb Cathedral, which was built in the Middle Ages in the country and has been preserved until today, is St. Mark's Church and Dubrovnik Walls (Biondich, 2006).

A significant part of Croatia, which was exposed to many attacks by the Ottoman Empire in the 16th century, came under Ottoman rule in this period. However, thanks to the resistance movements in Croatia, the Ottoman Empire was prevented from taking over the country completely. Buildings such as Osijek Castle and Varaždin Castle bear the traces of this period. In the 18th century, the Habsburg Empire captured Croatia and the country became part of the Austro-Hungarian Empire. After World War I, Croatia became part of the Kingdom of Yugoslavia. During this period, Croatia became an important industrial center and many industrial plants were built. However, II. During World War II, Croatia was occupied by Nazi Germany. After the war, Croatia became part of the Socialist

Federal Republic of Yugoslavia. In 1991, Croatia broke away from Yugoslavia and became an independent state (Stambuck, 2011).

3.3.3 Demographic Structure of Croatia

The population of Croatians is 4.07 million according to 2021 data. As in Bulgaria and Romania, it is a country with a low population density. The population distribution in the country varies greatly according to the geographical conditions. The coastal areas and major cities of the country are the regions with higher population density. The inhabitants of these regions make a great contribution to the economic and social life of the country. However, the population density in the inner rural areas is quite low and the population is decreasing due to migration (Gavrilovic, 2016).

Croatia is a country inhabited by various ethnic groups. The largest ethnic group in the country are Croats, making up about 90% of the population. Other ethnic groups include Serbs (4.4%), Bosnians (0.5%), Hungarians (0.4%) and Gypsies (0.3%). In addition, there are many ethnic minorities in the country (Gavrilovic, 2016).

The age distribution of the Croatian population has undergone a significant change in recent years. The aging of the population is an important problem, especially due to the decrease in the birth rate. As of 2021, 19% of the Croatian population are aged 0-14, 58% are aged 15-64, and 23% are aged 65 and over. This age distribution shows that the country's population is aging rapidly (IOM, 2021).

Croatia's demographics and population are changing due to high death rates, low birth rates and immigration. The aging of the population is one of the most important problems facing the country.

As can be seen from the table below, the population of the country has decreased by more than 10% in the last 16 years and is in a regular downward trend. The problem of aging and decreasing of the population, which we see in Romania and Bulgaria, is also encountered in Croatia.

The population statistics of the country for the years 2005-2021 are shown below.

Table 8. 2005-2021 The Population Statistics of Croatia

Year	Total Population	Annual Population Growth (%)
2005	4,429,681	-0.31
2006	4,417,560	-0.27
2007	4,405,532	-0.27
2008	4,393,664	-0.27
2009	4,382,130	-0.26
2010	4,368,682	-0.31
2011	4,351,842	-0.39
2012	4,331,595	-0.47
2013	4,308,854	-0.53
2014	4,283,972	-0.58
2015	4,254,815	-0.68
2016	4,223,751	-0.73
2017	4,192,467	-0.74
2018	4,160,485	-0.76
2019	4,129,752	-0.74
2020	4,096,869	-0.8
2021	4,060,135	-0.9

Source: United Nations Population Division, 2022

3.3.4 Economic Development of Croatia

The civil war that started in Croatia with the disintegration of Yugoslavia in the early 1990s dealt a major blow to the country's economy and the country began the independence period facing a serious economic crisis. The agriculture, tourism and industrial sectors suffered serious damage due to the war, and the country faced problems such as high inflation, high unemployment and low investment levels. However, by the 2000s, the country's economy started to recover and the development process accelerated with the economic breakthroughs implemented from these years (EC, 2021).

Croatia has an economy with a GDP of \$63.8 billion as of 2020. The country's economy is divided into three main sectors: services, industry and agriculture. The service sector accounts for about 60% of the country's GDP. The industrial sector accounts for 28% of GDP, while the agricultural sector accounts for only 2%. Tourism is one of the most important sectors of the Croatian economy, accounting for about 20% of the country's GDP. In addition, the tourism sector provides about 20% of employment. The industrial sector is divided into sub-sectors such as food processing, chemistry, machinery and textile

production. The agricultural sector is the country's smallest sector and is not a major source of income nationwide (OECD, 2021).

The change in the sectoral distribution of the country's GDP between 2005 and 2021 is as follows.

Table 9. 2005-2021 Sectoral Distribution of Croatia GDP

Year	Agriculture	Industry	Services
2005	5.9	24.5	69.6
2010	4.4	22.2	73.4
2015	3.3	21	75.7
2021	2.6	20.9	76.5

Source: The World Bank Databank, 2022; own processing

When the table given above is examined, it is seen that there is a decrease in GDP distribution in the agriculture and industry of the country, while there is an increase in the service sector.

Croatia's economy has been growing steadily in recent years. In 2019, the country's GDP grew by 2.9%. However, due to the Covid-19 pandemic, the economy contracted in 2020 and GDP decreased by 7.5%. In 2021, it regained its growth momentum (World Bank, 2022).

3.4 Turkey

3.4.1 Geography of Turkey

Turkey is an important tourism destination worldwide with its natural beauties, rich historical and cultural heritage. It also acts as a bridge between the Middle East, Asia and Europe due to its geopolitical location. In this respect, Turkey's position is quite strategic both commercially and politically. Turkey is a country located between the continents of Asia and Europe. It borders with Syria, Iraq and Iran in the southeast. It is surrounded by the Black Sea in the north, the Aegean in the west and the Mediterranean in the southwest. Its total area is 783,562 square kilometers. Turkey is the second largest country in Europe after Russia in terms of surface area. Due to Turkey's location, both climatic characteristics, plant characteristics and population variability vary considerably. The country has different mountainous and lowland regions. The Central Anatolia Region is a

wide plateau with important plains such as Konya Plain and Karaman Plain. Eastern Anatolia Region is home to Turkey's highest mountains. Mount Ararat is Turkey's highest mountain and is located in the province of Ağrı in the east of the country with its height of 5,137 meters. Eastern Anatolia Region also has important natural beauties such as Lake Van and Hakkari Mountains. In the north of Turkey, there is a different geographical structure. In the country, which is surrounded by seas on three sides, the Black Sea climate prevails in the north, and the Mediterranean climate prevails in the southern and western regions. In the interior of the country, winters are cold and snowy, and summers are hot and dry. On the other hand, a temperate and humid climate is observed in the Aegean and Mediterranean coasts. Various products such as olives, citrus fruits, bananas and avocados are grown in these regions (Ersen & Celikpala, 2019).

Turkey is also very rich in terms of water resources. Different rivers, lakes and dams make up the country's water resources. Major rivers such as the Euphrates and Tigris are among the most important rivers. These rivers are known as two rivers flowing south through the east of the country and emptying into the Persian Gulf in the south of Iraq. Turkey is also home to the largest freshwater lake, Lake Van. This lake is located in the east of Turkey and is the 17th largest lake in the world in terms of surface area (Ministry of Tourism and Culture of Turkey, 2022).

Turkey is an important agricultural country with its rich agricultural lands. Agriculture is an important sector in the Turkish economy and approximately 25% of the country's population works in the agricultural sector. Turkey's agricultural lands are generally located in the Marmara, Aegean, Mediterranean and Southeastern Anatolia regions. Among the most important agricultural products in Turkey are cereals, fruits and vegetables, cotton and olives. It has an important place in the agriculture sector in animal husbandry in the country. Cattle, sheep, goats and poultry are among the most farmed animal species in Turkey. Turkey is among the countries with the highest cattle presence in the world (Ersen & Celikpala, 2019).

Turkey is a very rich country in terms of natural resources. The country has rich mineral deposits and is an important mining country worldwide. Metals such as coal,

copper, chromium, boron, zinc, gold and silver are among the most extracted mines in Turkey. These mines make significant contributions to the Turkish economy.

The country is also an important country in terms of tourism with its historical and natural beauties. There are different types of tourism in different regions of the country, such as sea, history and winter tourism. While the Mediterranean coast attracts many foreign tourists in the summer, the historical regions in almost every part of the country are also very important in terms of tourism. Historical and touristic regions such as Ephesus, Troy and Hagia Sophia are very important for Turkish tourism. In addition, coastal cities such as Antalya, Muğla and İzmir host a large number of foreign tourists every summer. The number of foreign tourists and tourism income information of the country between 2005 and 2021 are shown below.

Table 10. 2005-2021 The Tourism Statistics of Turkey

Year	Number of Tourists (Millions)	Tourism Revenues (Billion US \$)
2005	25,045,142	20,7
2006	23,924,023	19,1
2007	27,239,630	21,0
2008	31,137,774	26,4
2009	31,759,816	26,3
2010	32,997,308	26,3
2011	36,769,039	30,3
2012	37,715,225	31,5
2013	39,860,771	37,9
2014	41,627,246	40,0
2015	41,114,069	35,6
2016	30,906,680	26,5
2017	37,969,824	31,9
2018	46,112,592	36,7
2019	51,747,199	41,4
2020	15,971,201	13,7
2021	30,038,961	24,4

Source: The World Bank Databank, 2022

As seen in the table, the number of tourists and tourism revenue of Turkey have experienced fluctuations over the years. The peak of tourism activity was observed in 2019 with 51.9 million visitors and 34.5 billion USD revenue. However, the COVID-19

pandemic has had a severe impact on the tourism sector in Turkey, causing a significant drop in the number of visitors and revenue in 2020 and 2021. However, Turkey is expected to recover from the pandemic and continue as its role a popular tourist destination in the future.

3.4.2 History of Turkey

The history of Turkey also has a very important place in terms of world history. Due to the strategic location of the country, many states and monarchs have taken place in this geography and have left many cultural and historical traces. Turkey is one of the oldest settlements in history and has hosted many civilizations. Human settlements date back to the Neolithic period in Turkey. The oldest written sources regarding the history of the region are the documents belonging to the Mesopotamian civilizations and the Hittite Kingdom, starting with the Sumerian tablets (Arslan, 2018).

The Hittite Kingdom was a kingdom that existed between 2000-1200 BC and was founded in Central Anatolia. The Hittites were one of the most powerful civilizations in the world at that time, and their capital, Hattusa, is located in today's Çorum province. The Hittites had a great economic power thanks to their powerful armies, rich mineral deposits and trade routes. However, in 1200 BC, the Hittite Kingdom was destroyed due to various internal and external reasons (Akcem, 2012).

The Persian Empire was established in Central Asia in the 6th century BC and expanded rapidly. The Persians came to Turkey in 546 BC and captured many regions. However, in 334 BC, Alexander the Great defeated the Persians, captured the region, and established Hellenistic states. During this period, the Ionian cities in the west of Anatolia united under the leadership of Athens to protect their freedom (Arslan, 2018). In the 1st century BC, the Roman Empire dominated the territory of Turkey, and the region was largely controlled by the Romans. However, in the 4th century AD, the separation between the eastern and western regions of the Roman Empire led to the establishment of the Byzantine Empire in the region including Turkey. The Byzantine Empire controlled a large part of the Turkish territory and chose Istanbul as its capital (Arslan, 2018).

The Ottoman Empire is a Turkish state founded in the 13th century and has an important place in Turkey's history. The expansion of the Ottoman Empire began in the

14th century and reached its zenith in the 16th century. The empire expanded its territory in the Balkans, the Caucasus, the Middle East and North Africa and became a powerful empire that shaped world history in the 16th century (Lewis, 2002).

Today's Republic of Turkey was established in 1923 in place of the Ottoman Empire, which was destroyed with the end of the First World War. Mustafa Kemal Atatürk founded the Republic of Turkey in 1923. Atatürk tried to modernize and westernize Turkey. During this period, many reforms were carried out in Turkey. The influence of Islamic culture was reduced, a new alphabet was adopted, and Turkey's economic structure was reorganized (Lewis, 2002).

In 1945, II. After World War II ended, Turkey joined NATO and became more connected with the Western world. Turkey applied for membership in the European Economic Community (now the European Union) in 1963 and joined the Customs Union in 1987. The history of Turkey has a rich history where different cultures live together. In every period, the lands of Turkey have hosted various civilizations and ethnic groups. Under the rule of the Ottoman Empire, Turkey was one of the most powerful countries in world history and today Turkey has one of the largest economies in the Middle East (Gurkan, 2013).

3.4.3 Demographic Structure of Turkey

Turkey is the 16th most populous country in the world and has a population of approximately 84 million. In Turkey, like many countries in the Middle East, the majority of the population consists of young people. However, it has experienced some changes in the population structure, especially due to the migration waves in recent years. The population structure of the country is quite young. By 2021, 27% of the population is aged 0-14, 66% is aged 15-64, and 7% is aged 65 and over. Especially due to the number of refugees from Syria, there has been a significant increase in its population and population density in recent years. There are approximately 4 million Syrian refugees in Turkey. In addition, the number of immigrants from other countries has increased in recent years. Because the country acts as a bridge between the east and the west, it can receive a lot of immigration.

Although the population growth rate in the country has decreased recently, the population growth rate is still high in rural areas. However, the population growth rate in cities is lower than in rural areas. The population density in the country is concentrated in the Marmara region, where Istanbul is also located.

The population change of the country between 2005 and 2021 is shown below.

Table 11. 2005-2021 The Population Statistics of Turkey

Year	Total Population	Annual Population Growth
2005	67,743,052	1.3%
2006	68,626,337	1.3%
2007	69,496,513	1.2%
2008	70,363,511	1.2%
2009	71,241,080	1.3%
2010	72,137,546	1.3%
2011	73,058,638	3.5%
2012	75,627,384	1.4%
2013	76,667,864	1.3%
2014	77,695,904	1.3%
2015	78,741,053	1.4%
2016	79,814,871	1.2%
2017	80,810,525	1.5%
2018	82,003,882	1.4%
2019	83,154,997	0.6%
2020	83,614,362	1.3%
2021	84,680,273	1.3%

Source: The World Bank Databank, 2022; own processing

When the table given above is examined, it is seen that the population of the country has increased by more than 17 million in the last 16 years. However, despite this, it is seen that the population growth rate is in a decreasing trend.

3.4.4 Economic Development of Turkey

After Turkey gained its independence in 1923, Turkey's economy was largely agricultural and relied on the export of raw materials such as cotton and tobacco. During this period, the government implemented a series of policies aimed at modernizing the country's infrastructure and industrial sector, such as investment in railways, ports and electricity generation. However, especially with the great depression of 1929, the economy

in the country remained mostly stagnant. During these years, the country struggled with problems such as high inflation and unemployment. After the Second World War, in the 1950s, Turkey experienced a significant economic policy change that focused on industrialization for economic growth. This period was characterized by an increase in public investment, particularly in the manufacturing sector, and the establishment of many state-owned enterprises. The government also implemented domestic production policies instead of imports to reduce Turkey's dependence on foreign goods and services (Aydin, 2014) This industrialization period was successful in increasing Turkey's GNP and saw an average annual growth rate of 6% between 1963 and 1980. However, it also led to a significant increase in inflation and debt and a decline in agricultural production. After 1980, the government adopted a more liberal approach and turned to an open policy with a significant increase in foreign investment, especially in the banking and telecommunications sectors. The government also implemented a number of policies aimed at reducing inflation and stabilizing the currency, including tight fiscal and monetary policies (Balaban, 2008)

The liberalization policies of the 1980s and 1990s were successful in reducing inflation and stabilizing the economy, but they also led to the income gap and significant social inequality. The country experienced major financial crises in 1994 and 2001. The economy, which started to recover after 2001, showed an average of 5.5% growth between 2002 and 2008. However, since the 2010s, it has faced with high exchange rate fluctuations and recently high inflation problems due to the political environment and political crises in the country (Gozgor, 2019) The sectoral distribution of the country's GDP in the 2005-2021 period is shown below.

Table 12. 2005-2021 Sectoral Distribution of Croatia GDP

Year	Agriculture	Industry	Services
2005	9.90%	30.70%	59.40%
2010	8.10%	29.80%	62.10%
2015	6.80%	27.10%	66.10%
2021	6.40%	25.50%	68.10%

Source: The World Bank Databank, 2022; own processing

As can be seen from the table given above, despite the decrease in Turkey's GDP in industry and agriculture in the last 16 years, an increase is observed in the service sector. This indicates that the country remains weak in the field of development, especially in terms of production (Gozgor, 2019).

3.5 Macroeconomic Indicators

In this section, general information about the macroeconomic indicators to be used for the economic comparison of countries will be given for the purpose of the thesis.

3.5.1 Gross Domestic Production

Gross Domestic Product (GDP) is a measure of the monetary value of all final goods and services produced by a country in a given time period. Final goods and services are goods and services that are directly consumed by end users or used for investment. Therefore, intermediate goods and services (for example, parts used in the manufacture of a car) are not taken into account. GDP is one of the most widely used indicators to measure the economic size and welfare of a country. It is widely used by international organizations such as the World Bank, IMF and OECD. GDP is a production-based measure. That is, the total monetary value of goods and services produced within the country's borders is measured. These products also include export and import transactions (Callen, 2012).

GDP calculation methods represent two different approaches: the income approach and the expenditure approach. The income approach calculates the total income of goods and services produced within the country to measure national income. In this approach, all factor incomes such as national income, wages, profits and interest are taken into account. The expenditure approach is used to measure domestic expenditure. In this approach, national income is the sum of expenditures such as consumption, investment, government expenditures and exports (Callen, 2012).

Another important feature of GDP is that it can be divided into real GDP and nominal GDP. Nominal GDP is the monetary value of the production value regardless of prices. Real GDP, on the other hand, is price-adjusted, that is, adjusted for a base year. While GDP measures the economic size of a country, it may not accurately reflect the level of welfare. For example, a country with a high GDP level may also face problems such as

inequality and poverty. Therefore, high GDP in countries with income inequality will not be sufficient data for the development of the country. However, it is still useful as a basic macroeconomic indicator in terms of understanding the economic progress of countries (O'Neill, 2014).

3.5.2 Gross Domestic Production Growth

Gross Domestic Production growth, one of the macroeconomic indicators, is used to measure economic growth trends. The GDP growth rate measures the change in a country's GDP over a period. It is usually measured annually and is expressed as a percentage change from the previous year. For example, if a country's GDP was \$100 billion a year ago and \$105 billion the next year, the GDP growth rate is calculated as 5%.

The GDP growth rate is considered an important indicator of a country's economic performance. When the economy is generally growing, output increases, unemployment rates decrease, and per capita income rises. Therefore, economic growth can help increase the welfare of a country. The GDP growth rate is used to determine the pace and direction of a country's economic growth. A slowdown in economic growth or a negative growth rate means that there are serious problems in a country's economy. Therefore, many economic politicians develop policies to increase the GDP growth rate (Acemoglu et al. 2005).

The GDP growth rate is affected by many factors. These include investment, consumption, exports, imports, public spending and monetary policy. Increasing investment, especially infrastructural investments, increases production capacity and thus stimulates economic growth. Likewise, increased consumption can trigger economic growth by increasing production and sales. Increasing exports can also spur economic growth because selling one country's goods and services to other countries can lead to increased incomes and increased production. However, there are also factors that limit a country's economic growth. For example, macroeconomic factors such as inflation, interest rates and public debt can affect the rate of economic growth. In addition, political and social factors can also affect the growth rate. For example, political uncertainty or internal conflicts in a country can cause a decrease in foreign investment and a slowdown in economic growth (Barro, 2008).

The GDP growth rate, which has an important role in determining the course of an economy, can still lead to false conclusions on its own. Other economic indicators, especially unemployment rate and inflation, show a country's economic situation in more detail. Economic growth can help increase a country's prosperity, but it is a factor that should be considered along with other economic goals (Acemoglu et al. 2005).

As a result, the GDP growth rate is an important indicator used to measure the economic growth of a country. Economic growth can have many positive effects, such as increased production, unemployment rates, and increased per capita incomes. However, economic growth needs to be considered together with other indicators and carefully managed.

3.5.3 Gross National Income Per Capita

Although GDP and GDP Growth are important indicators to understand the economic size of countries, they are not sufficient to measure the welfare of the people. GNI per Capita, on the other hand, helps to get a more detailed idea in terms of understanding the economic welfare of the country, as it measures the national income per capita (Barro, 2013).

GNI (Gross National Income) per capita is calculated by dividing the national income of a country by the total population of the country. This indicator is used to compare economic development and welfare levels between countries. Although the GNI per capita is an important indicator of a country's level of economic prosperity, it is only a measure based on economic factors. Other social and political factors can also affect a country's level of prosperity. For example, social inequalities and injustices in a country can lower the welfare of the rest of the country, even if the GNI per capita is high. In cases where the income distribution in the country is unequal, the GNI per capita may also cause a false perception of the welfare of the country in general. For example, if a large portion of the national income in a country is earned by a certain minority, the GNI per capita may be high, but the welfare level for the rest of the country's population may be low (Gruppaugh, 2015).

A high GNI per capita allows citizens of a country to enjoy higher living standards. This, in turn, can lead to an increase in consumption expenditure in the country, increase in

investments and encourage economic growth. In particular, countries with high GNI per capita tend to invest in higher human capital. Human capital refers to the combination of education, health and other factors and helps people develop their potential and achieve higher economic efficiency (Mankiw et al. 2014).

However, the GNI per capita should not be used as a stand-alone indicator. Other economic indicators, especially factors such as unemployment rates, inflation, budget deficit and foreign trade deficit, can better reflect a country's real economic situation. Also, comparison of GNI per capita between different countries should be adjusted for purchasing power parity (PPP). This allows for a more accurate comparison, taking into account the differences between price levels in different countries (Mankiw et al 2014).

A high GNI per capita means an increase in a country's economic welfare, while a low GNI per capita has the opposite effect. Low GNI per capita can bring about poverty, unemployment, lack of education, health problems and other problems. Therefore, countries develop various policies to increase GNI per capita. Economic development, increasing investments, improving education and health services, reducing social inequalities and increasing productivity are among the policy measures that can be taken to increase the GNI per capita (Barro, 2013).

3.5.4 Labor Market and Unemployment Rate

The labor market is considered an important indicator for a country's economic performance and development. The labor market has an impact on a country's total productivity and production capacity. The labor market is also used to calculate macroeconomic indicators such as unemployment rates. The most basic feature of the labor market is the coexistence of supply and demand factors. Labor supply is the number of people who want to join the workforce. The population of working age determines the number of these persons. The labor supply includes all people who want to join the workforce, including the number of people who want to join the workforce but are unable to find a job. Labor demand refers to employers' need for workers. The needs of employers increase with the demand for production and service activities. Labor demand refers to what jobs employers demand in the labor market and how many workers they need. The coexistence of supply and demand factors in the labor market enables the determination of

the balance of the labor market. The balance between the demands of employers and the supply of job seekers determines the equilibrium of the labor market. The deterioration of the balance in the labor market may lead to an increase in unemployment rates or worker shortages (Acar, 2013).

The labor market is an important macroeconomic indicator that shows the ability of countries to use their populations effectively and efficiently, and to train qualified personnel. OECD has developed three key indicators to explain the education, employment and unemployment relations (Kavak, 1997, p: 24). These are participation of labor force rates by education Level, gender and age. However, there are different classifications such as short-term and long-term unemployment (Kavak, 1997).

Unemployment rate has been accepted as an important indicator of economic development in recent years. Unemployment rate refers to the proportion of the workforce in a country that does not work in a given period. The unemployment rate is considered a strong indicator of an economy and can be influenced by many factors. The unemployment rate refers to the ratio between the employed and the unemployed. This rate may vary depending on a country's economic situation and employment policies. The unemployment rate in a country can directly affect the economic development of that country. High unemployment rates can reduce a country's economic growth potential and cause many social problems. Therefore, many countries implement various policies to reduce the unemployment rate (Acemoglu et al. 2013).

Among the factors affecting the unemployment rate are economic growth, demographic changes, labor supply and demand, industry structure and employment policies. Economic growth is one of the most important factors for lowering the unemployment rate. As economic growth increases, employers need more jobs and the unemployment rate falls. However, high unemployment rates can also negatively affect economic growth. Demographic changes in a country can also affect the unemployment rate. The increase in the youth population can increase the unemployment rate. Likewise, labor supply and demand are among the factors affecting the unemployment rate. The supply of labor reduces the unemployment rate, while a decrease in demand can increase the unemployment rate. Industrial structures of countries are also another factor affecting

the unemployment rate. High unemployment rates can result from unemployment in a particular industry. For example, if a country has a large industrial sector and that sector is in recession, the unemployment rate may increase. In addition to all these, the employment policies implemented by the governments also play an important role in affecting the unemployment rate. Regulation of the labor market, education policies, unemployment insurance, job search support and other social assistance are among the factors that help reduce the unemployment rate (Mankiw & Taylor, 2014).

As a result, the unemployment rate is an important indicator for the economic development of a country. Lowering the unemployment rate can increase a country's economic growth potential and raise social welfare. However, it is necessary to implement various policies to reduce the unemployment rate. Regulation of the labor market by the decision makers, education policies, unemployment insurance and other social aids have an effect on reducing the unemployment rate.

3.5.5 Inflation Rate

Inflation is a very important macroeconomic indicator for national economies. It is generally defined as the rate of increase in the prices of products sold within the country. In other words, the increase in the prices of goods and services in a country within a certain period of time is defined as inflation. Inflation, as an economic indicator, shows the changes in the general level of prices and is a part of macroeconomic analysis (Islam, 2013).

Various methods are used to measure the inflation rate. The inflation rate expresses the rate of increase in price levels as a percentage. For example, if prices increased by 3 percent in a year, the inflation rate for that year is expressed as 3 percent. There are many different reasons for inflation. These reasons may include increased demand, increases in costs, increases in the money supply, and exchange rate changes. These are some of the elements that tend to raise prices. However, inflation also has many different effects on the economy. Inflation can reduce consumer purchasing power, hinder savings and investment, and affect governments' fiscal policies. In addition, if inflation rates are low, the growth potential in the economy may also be low. Keeping inflation under control is one of the primary goals of central banks in many countries. Central banks try to control inflation by

controlling interest rates, money supply and monetary policies. If these policies are successful, inflation rates may remain low and economic growth potential may increase (Boyd et al. 2001).

3.5.6 Foreign Trade

Countries' exports and imports are related to the degree of openness of an economy. Export is the sale of a country's goods and services abroad. Import is the purchase of goods and services from foreign countries. These two factors have a significant impact on a country's trade balance and exchange rate. A country's exports can increase production capacity, scale up businesses, and stimulate economic growth. However, excessive exports can reduce domestic demand and slow the country's growth. Imports, on the other hand, can increase diversity in a country's economy and give consumers more choice. However, excessive imports can weaken domestic production and increase unemployment rates. The export and import performance of countries depends on various factors. These include factors such as trade agreements, exchange rate, production costs, consumer preferences, technological developments and political stability. Some countries offer export incentives to encourage export-led economic growth. These incentives can take various forms such as tax cuts, financial support, export credits and tax exemptions (Bergstrand, 1985).

If the export made in the foreign trade of the countries is less than the import rate, a foreign trade deficit occurs. Foreign trade deficit is a negative balance in a country's trade with other countries because of exports not meeting imports. There are many reasons for the formation of a foreign trade deficit. These may include the price of imported goods, exchange rate fluctuations, insufficient production and export capacity, fluctuations in raw material prices, economic conditions and trade policies in other countries. Because a country imports more goods and services from other countries, a trade deficit can reduce that country's foreign exchange reserves, cause its currency to depreciate, and slow economic growth. A country's foreign trade deficit generally increases with economic growth and development. Therefore, the correct management of the foreign trade deficit is important for economic growth and development. For example, if a country wants to reduce its foreign trade deficit, it can provide incentives to increase exports or implement trade policies that limit imports. However, the effectiveness of any policy for the correct

management of the foreign trade deficit also depends on factors such as the trade policies of other countries, global economic conditions and exchange rate fluctuations (Menon, 1995).

Foreign trade deficit is a problem faced by many countries and many countries implement policies to reduce their foreign trade deficit. In particular, developing countries may be adversely affected by the foreign trade deficit and therefore implement policies for the management of the foreign trade deficit. Among these policies, there are some measures such as encouraging exports, limiting imports, increasing investments and controlling exchange rate fluctuations (Cheung and Chinn, 1998). As a result, the foreign trade deficit is an important indicator of the economic situation of a country. Foreign trade deficit is closely related to the economic development of the countries as well as the production structure, monetary policies and many other factors. Long-term and careful planning is required to reduce the foreign trade deficit (Menon, 1995).

3.5.7 Human Development Index

The Human Development Index (HDI) is an index prepared by the United Nations Development Program (UNDP) and put into practice in 1990. HDI measures the contribution of countries to people's quality of life and uses criteria such as health, education and living standards in this context. The health criterion measures the capacity to provide access to deaths and health problems, the education criterion the literacy rate, the education at pre-school, primary, secondary and university levels, and the living standards criterion the income level, quality of housing, nutrition, water resources and accessibility of other basic services. (Sagar & Najam, 1998; Anand & Sen, 1994).

HDI is critical to meeting people's needs. The index reveals inequalities in many areas of development and shows that different levels of development occur between countries. HDI is also an important tool in determining the development goals of countries and in allocating necessary resources for development activities (Sagar and Najam, 1998).

HDI uses a scoring system from zero to 1. The closer to 1, the higher the quality of human life. The index is calculated based on factors such as countries' average life expectancy, literacy rate and income level. The HDI is used to measure the quality of life of people, especially in developing countries (Anand & Sen, 1994).

HDI is updated annually and published by many different sources. These resources include international organizations such as the United Nations Development Programme, the World Bank, and the International Monetary Fund. The data used to calculate the United Nations Statistics Division and other international organizations provide the HDI.

4 PRACTICAL PART

In this section, Bulgaria, Romania, Croatia and Turkey will be compared over macroeconomic indicators. The data to be used in the comparison are given in the annexes of the thesis in tabular form and the comparisons will be made with figures for better understanding.

4.1 Comparison of GDP (2005-2021)

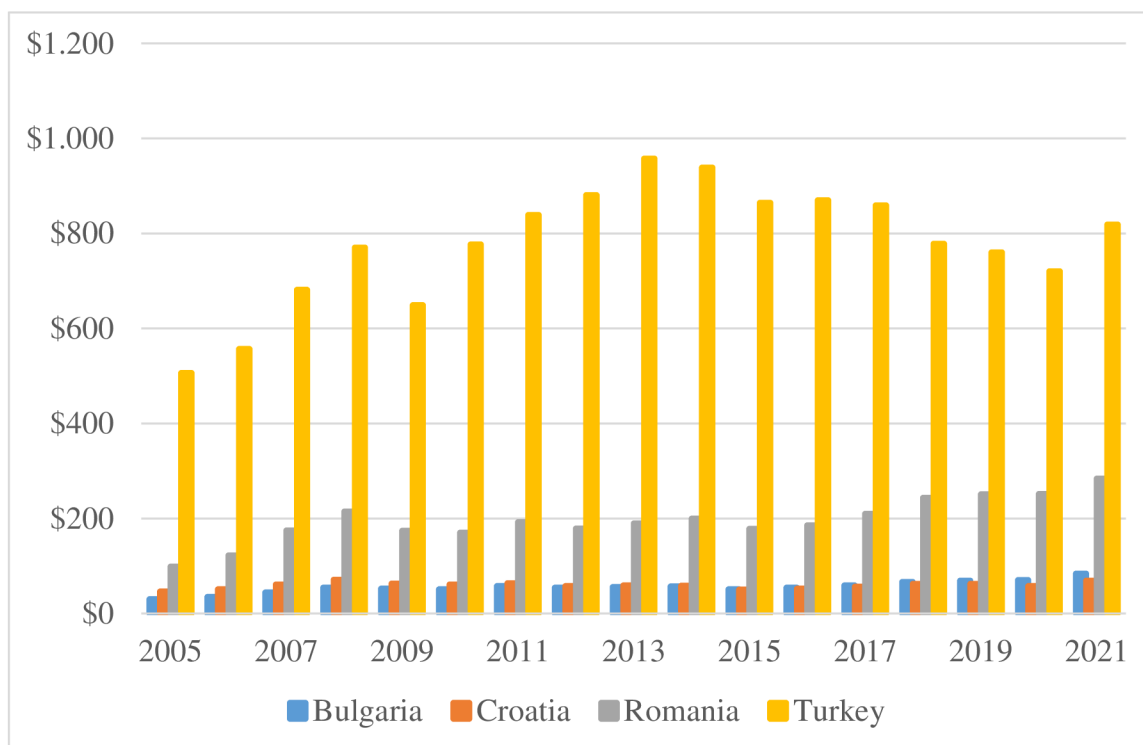
When we look at the GDP information of the countries, it is seen that Turkey has a very high GDP compared to the other three countries, since it is larger than other countries in terms of population and area. Of the other three countries, Romania ranks first with a GDP of \$284 billion as of 2021. The GDP data for Bulgaria, Romania, Croatia and Turkey between 2005 and 2021 are shown below.

Table 13. The GDP Data of Selected Countries in 2005-2021 (Current Million US \$)

Year	Bulgaria	Croatia	Romania	Turkey
2005	\$29,869	\$45,835	\$98,453	\$506,308
2006	\$34,380	\$50,915	\$122,023	\$557,058
2007	\$44,433	\$60,642	\$174,585	\$681,337
2008	\$54,481	\$70,943	\$214,314	\$770,462
2009	\$52,024	\$63,324	\$174,104	\$649,273
2010	\$50,682	\$60,672	\$170,029	\$776,993
2011	\$57,678	\$63,408	\$192,614	\$838,763
2012	\$54,301	\$57,369	\$179,133	\$880,556
2013	\$55,810	\$59,032	\$189,790	\$957,783
2014	\$57,082	\$58,424	\$199,712	\$938,953
2015	\$50,782	\$50,243	\$177,882	\$864,317
2016	\$53,954	\$52,397	\$185,287	\$869,693
2017	\$59,199	\$56,324	\$210,147	\$858,996
2018	\$66,364	\$62,317	\$243,317	\$778,472
2019	\$68,916	\$62,328	\$251,019	\$759,937
2020	\$70,240	\$57,472	\$251,362	\$720,289
2021	\$84,056	\$68,955	\$284,088	\$819,035

Source: The World Bank Databank, 2022

Figure 1. The GDP Data of Selected Countries in 2005-2021 (Billion US \$)



Source: The World Bank Databank, 2022; own processing

Although GDP does not provide economic information on its own, it shows us the economic size of a country. As can be seen from the figure given above, Turkey has a larger economic size than the sum of the three countries. Of the other three countries, Romania comes first, Croatia second, and Bulgaria third. On the other hand, it is seen that Bulgaria, which was behind Croatia in 2005, surpassed Croatia in 2021. The GDP of Bulgaria, which was 29.9 billion dollars and Croatia's 45.8 billion dollars in 2005, reached 84 billion dollars for Bulgaria and 69 billion dollars for Croatia by 2021.

4.2 Comparison of GDP Growth (2005-2021)

The GDP Growth indicator is a very important indicator in terms of showing the economic growth of countries. A macroeconomic indicator is frequently used in the literature because it is an indicator that we can understand the growth of countries regardless of variables such as population or area. GDP Growth data for Bulgaria, Romania, Croatia and Turkey between 2005 and 2021 are shown below.

Table 14. The GDP Growth Data of Selected Countries in 2005-2021 (Annual %)

Year	Bulgaria	Croatia	Romania	Turkey
2005	7.06	4.26	4.67	8.99
2006	6.80	4.89	8.03	6.95
2007	6.65	5.00	7.23	5.04
2008	6.13	2.00	9.31	0.82
2009	-3.35	-7.19	-5.52	-4.82
2010	1.54	-1.22	-3.90	8.43
2011	2.10	-0.09	4.52	11.20
2012	0.75	-2.33	1.92	4.79
2013	-0.56	-0.40	0.27	8.49
2014	0.97	-0.43	4.12	4.94
2015	3.43	2.52	3.16	6.08
2016	3.04	3.56	2.86	3.32
2017	2.76	3.41	8.20	7.50
2018	2.68	2.80	6.03	2.98
2019	4.04	3.42	3.85	0.78
2020	-3.96	-8.58	-3.68	1.94
2021	7.63	13.07	5.10	11.35

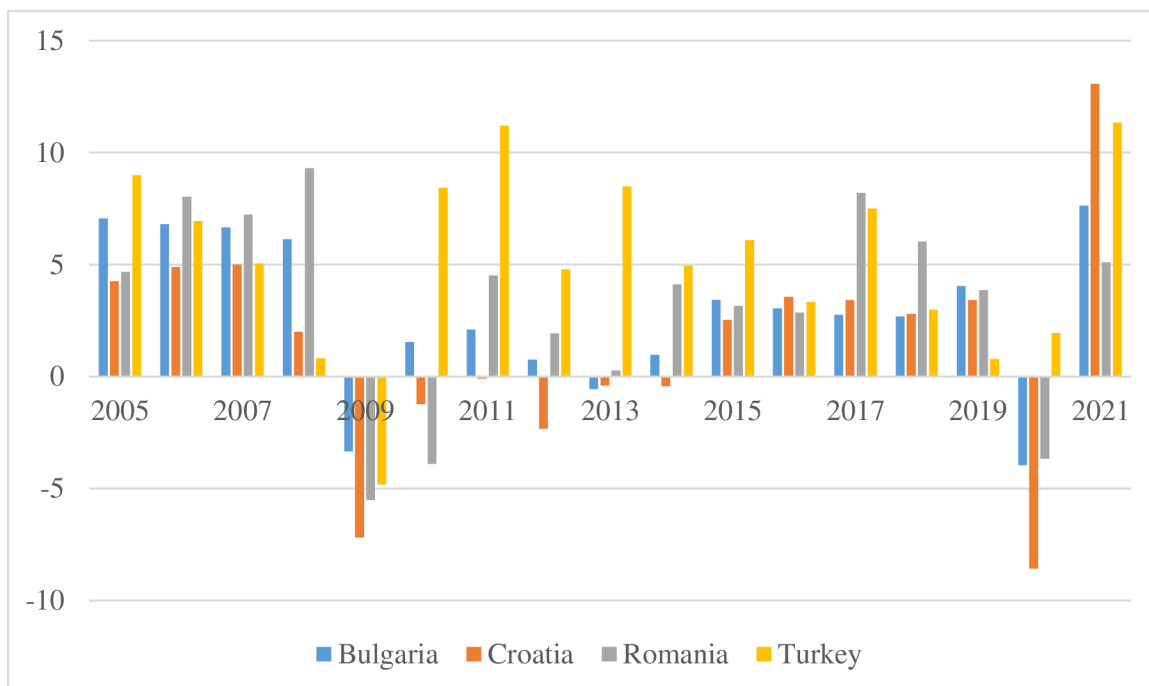
Source: The World Bank Databank, 2022

When the table given above is examined, it is seen that Turkey and Romania have higher growth rates between 2005 and 2021 compared to the other two countries. Looking at the 16-year growth averages, it is seen that Turkey grew by 5.22%, Romania 3.30%, Bulgaria 2.81% and Croatia 1.45%. The growth rates of the countries are given below as figure for better understanding.

When the GDP growth rates, which are used as the economic growth indicator of the countries, are examined, it is observed that the two years in which all four countries shrank. The first of these years is 2009 and the second is 2020. The year 2009 was caused by the economic crisis that affected the whole world starting from the USA in 2008, and the second was caused by the economic recession caused by the restrictions imposed due to COVID 19. However, it is also seen that Croatia has shrunk more than other countries in both years. Croatia experienced a shrinkage of 7% in 2009 and 8.5% in 2020. However, in 2006, 2007, 2008, 2017 and 2018, Romania stands out from other countries with an average growth rate of 8%. In 2021, it is seen that Croatia achieved a growth rate of 13%

and reached a growth rate above other countries. However, when we look at the table in general, it is seen that Turkey stands out in terms of economic growth with an average of 7% growth, especially between the years 2010-2015.

Figure 2. The GDP Growth Data of Selected Countries in 2005-2021



Source: The World Bank Databank, 2022; own processing

4.3 Comparison of GNI Per Capita (2005-2021)

Unlike the GDP and GDP Growth indicators, GNI per Capita provides information about the economic development and welfare levels of the countries as well as the economic development. Although it does not exactly show the fair distribution of income within the country, it gives an idea in terms of understanding the welfare level and development level of the country. Generally, countries are classified according to their level of development based on the GNI Per Capita value.

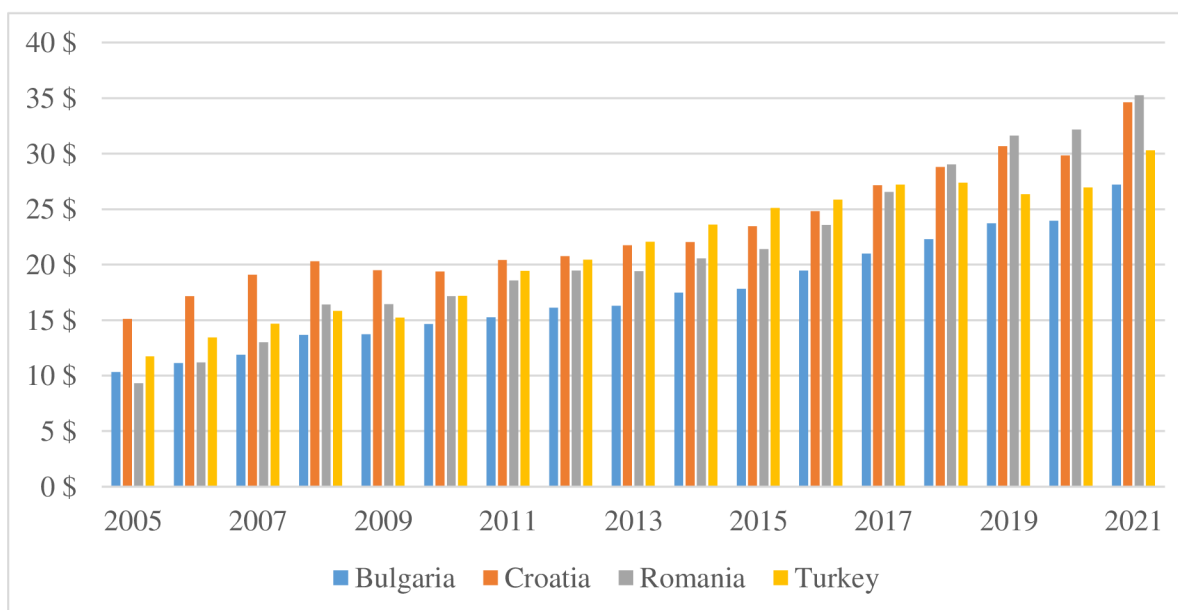
When the table given below is examined, it is seen that Romania comes first with 35 thousand US \$ in terms of GNI Per Capita as of 2021. Croatia comes after Romania with 34 thousand US \$. Turkey ranks third with 30 thousand US \$, followed by Bulgaria with 27 thousand US \$. The GNI Per Capita data for Bulgaria, Romania, Croatia and Turkey between 2005 and 2021 is shown below.

Table 15. The GNI Per Capita Data of Selected Countries in 2005-2021

Year	Bulgaria	Croatia	Romania	Turkey
2005	10,320 \$	15,090 \$	9,320 \$	11,740 \$
2006	11,130 \$	17,160 \$	11,170 \$	13,440 \$
2007	11,870 \$	19,080 \$	13,010 \$	14,660 \$
2008	13,650 \$	20,300 \$	16,410 \$	15,820 \$
2009	13,730 \$	19,480 \$	16,420 \$	15,220 \$
2010	14,640 \$	19,370 \$	17,150 \$	17,190 \$
2011	15,250 \$	20,410 \$	18,570 \$	19,430 \$
2012	16,100 \$	20,740 \$	19,470 \$	20,450 \$
2013	16,290 \$	21,720 \$	19,390 \$	22,050 \$
2014	17,470 \$	22,030 \$	20,540 \$	23,610 \$
2015	17,820 \$	23,470 \$	21,400 \$	25,110 \$
2016	19,460 \$	24,830 \$	23,590 \$	25,850 \$
2017	20,990 \$	27,150 \$	26,560 \$	27,220 \$
2018	22,270 \$	28,790 \$	29,020 \$	27,380 \$
2019	23,720 \$	30,660 \$	31,610 \$	26,360 \$
2020	23,940 \$	29,830 \$	32,180 \$	26,950 \$
2021	27,200 \$	34,620 \$	35,260 \$	30,290 \$

Source: The World Bank Databank, 2022

Figure 3. The GNI per Capita Data of Selected Countries in 2005-2021



Source: The World Bank Databank, 2022; own processing

When the GNI per Capita data of four countries between 2005 and 2021 is examined, it is seen that four countries are in an increasing trend in terms of GNI per Capita within this 16-year period. During this period, Bulgaria and Croatia's GNI per Capita increased nearly twice, while that of Turkey and Romania nearly tripled. While Romania had the lowest GNI per Capita in 2005, it surpassed all three countries in 2021 to rise to the first place. While Croatia's GNI per Capita was the highest until 2018, it left the first place to Romania as of 2018. Turkey, on the other hand, was in the second rank until 2018, but with this rise of Romania, it has regressed to the third rank.

4.4 Comparison of Labor Markets (2005-2021)

In this section, in order to compare the labor market of the countries, the total labor force, labor force participation rates, female labor force rate, total unemployment rates, youth unemployment rates and unemployment rates for female will be compared. The status of the countries' total labor force between 2005 and 2021 is shown below.

Table 16. Total Labor Force of Selected Countries (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	3,282,858	1,796,374	9,663,356	22,722,966
2006	3,369,624	1,785,298	9,809,182	22,701,823
2007	3,432,706	1,924,507	9,637,035	23,120,324
2008	3,486,533	1,933,843	9,432,553	23,860,350
2009	3,409,927	1,934,048	9,338,466	24,758,044
2010	3,405,748	1,912,849	9,351,118	25,813,719
2011	3,323,514	1,883,511	9,173,378	26,962,929
2012	3,335,298	1,865,281	9,217,872	27,572,517
2013	3,363,140	1,844,972	9,175,559	28,737,694
2014	3,357,878	1,896,011	9,205,404	29,598,166
2015	3,333,481	1,896,675	9,108,577	30,767,622
2016	3,265,483	1,835,203	8,915,255	31,859,053
2017	3,364,252	1,824,724	9,055,159	32,879,110
2018	3,338,430	1,794,304	8,999,055	33,440,312
2019	3,391,873	1,781,597	8,972,261	33,612,480
2020	3,311,854	1,772,376	8,908,333	31,643,710
2021	3,268,751	1,733,479	8,199,584	33,317,080

Source: The World Bank Databank, 2022

When the table given above is examined, it is seen that Turkey is in an advantageous position compared to the others in terms of labor force. However, while the labor force in the other three countries has been decreasing in the last 16 years, it has increased by 11 million people in Turkey alone.

In the labor market analysis, as well as the labor potential of the countries, the rate of participation of this labor force and how it can be used efficiently is an important indicator. For this reason, the total participation rates of labor force of countries between 2005 and 2021 are also shown below.

Table 17. Total Labor Force Participation Rates of Selected Countries (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	49.7	49.6	53.9	46.4
2006	51.3	49.2	55.0	45.5
2007	52.6	52.9	54.8	45.5
2008	53.8	53.1	54.5	46.2
2009	53.0	53.1	54.4	47.1
2010	53.4	52.6	54.9	48.1
2011	52.5	51.8	54.1	49.3
2012	53.1	51.4	54.6	49.4
2013	53.9	50.8	54.5	50.3
2014	54.1	52.4	54.9	50.5
2015	54.1	52.7	54.5	51.2
2016	53.3	51.3	53.7	52.0
2017	55.3	51.6	54.9	52.8
2018	55.3	51.2	55.0	53.2
2019	56.6	51.1	55.1	52.9
2020	55.5	51.0	55.1	49.3
2021	55.3	51.8	51.1	51.4

Source: The World Bank Databank, 2022

Looking at the labor force participation rates of the countries, it is seen that the highest participation rate is in Bulgaria. Bulgaria's labor force participation rate has increased since 2005 and reached 55.3% in 2021. It is seen that the other three countries have a very close labor force participation rate as of 2021.

An important indicator showing that countries can use their development levels and their entire population effectively is female participation in the labor force. As the development level of the countries increases, the labor force participation rates of women increase. The female labor force participation rates of the four countries between 2005 and 2021 are shown below.

Table 18. Female Labor Force of Selected Countries (% of Total Labor Force) (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	46.7	45.1	45.3	24.9
2006	47.2	45.7	45.3	25.2
2007	47.1	44.8	45.1	25.3
2008	46.8	45.2	44.7	25.9
2009	46.7	46.1	44.6	27.0
2010	46.6	46.0	43.8	28.1
2011	46.8	45.0	44.4	28.7
2012	46.9	45.3	44.1	29.4
2013	46.9	45.8	44.0	30.1
2014	46.7	46.2	43.9	29.9
2015	46.7	46.3	43.3	30.7
2016	46.5	46.0	43.1	31.2
2017	46.5	45.9	43.6	31.8
2018	46.3	46.1	43.3	32.1
2019	46.2	45.8	43.1	32.5
2020	46.0	45.3	43.0	31.3
2021	46.1	45.7	42.0	32.0

Source: The World Bank Databank, 2022

Considering the participation of the female population of the countries in the labor force, although an increase has been observed since 2005, Turkey's rates are quite low compared to other countries. It is seen that Bulgaria has the highest rate of employment for female with 46.1%.

In addition to labor force and labor force participation rates, unemployment rates are also important indicators for understanding the labor markets of countries. It shows both the economic levels and the welfare level of the country's population.

The Unemployment Rates for Bulgaria, Romania, Croatia and Turkey between 2005 and 2021 are shown below.

Table 19. Total Unemployment Rates of Selected Countries (% of Total Labor Force) (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	10.1	12.6	7.2	10.6
2006	8.9	11.1	7.3	8.7
2007	6.9	9.9	6.4	8.9
2008	5.6	8.5	5.8	9.7
2009	6.8	9.2	6.9	12.6
2010	10.3	11.6	7.0	10.7
2011	11.3	13.7	7.2	8.8
2012	12.3	15.9	6.8	8.1
2013	12.9	17.3	7.1	8.7
2014	11.4	17.3	6.8	9.9
2015	9.1	16.2	6.8	10.2
2016	7.6	13.1	5.9	10.8
2017	6.2	11.2	4.9	10.8
2018	5.2	8.4	4.2	10.9
2019	4.2	6.6	3.9	13.7
2020	5.1	7.5	5.0	13.1
2021	5.3	7.6	5.6	12.0

Source: The World Bank Databank, 2022

When the unemployment rates of the countries are examined, it is seen that the lowest unemployment rate is in Bulgaria and the highest unemployment rate is in Turkey. Although the unemployment rate in Croatia was quite high in the 2010-2015 period, it has fallen drastically in the last four years. Unemployment rates in Turkey have been on an increasing trend in the last 10 years.

In this section, countries' GDP data and unemployment data will be analyzed using the simple linear regression method in order to determine and compare the relationship of the Unemployment Rate with the economic development of the countries.

First of all, the descriptive statistics of the data to be analyzed are shown below.

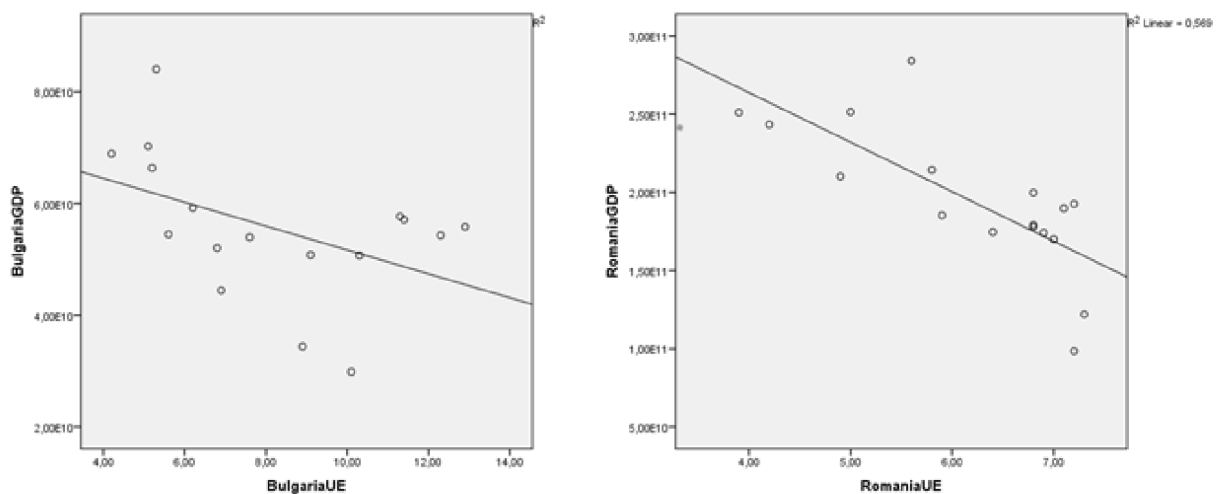
Table 20. Descriptive Statistics of Dataset

	N	Minimum	Maximum	Mean	Std. Deviation
BulgariaGDP	17	29869284035	84056312734	55544202231	12844356809
CroatiaGDP	17	45835098188	70943300079	58858916574	6512305168,
RomaniaGDP	17	98452791983	284087563696	19516818559	46101825658
TurkeyGDP	17	506308311477	957783020853	77813090102	12469984772
BulgariaUE	17	4,20	12,90	8,1882	2,80466
CroatiaUE	17	6,60	17,30	11,6294	3,52664
RomaniaUE	17	3,90	7,30	6,1647	1,09769
TurkeyUE	17	8,10	13,70	10,4824	1,63601

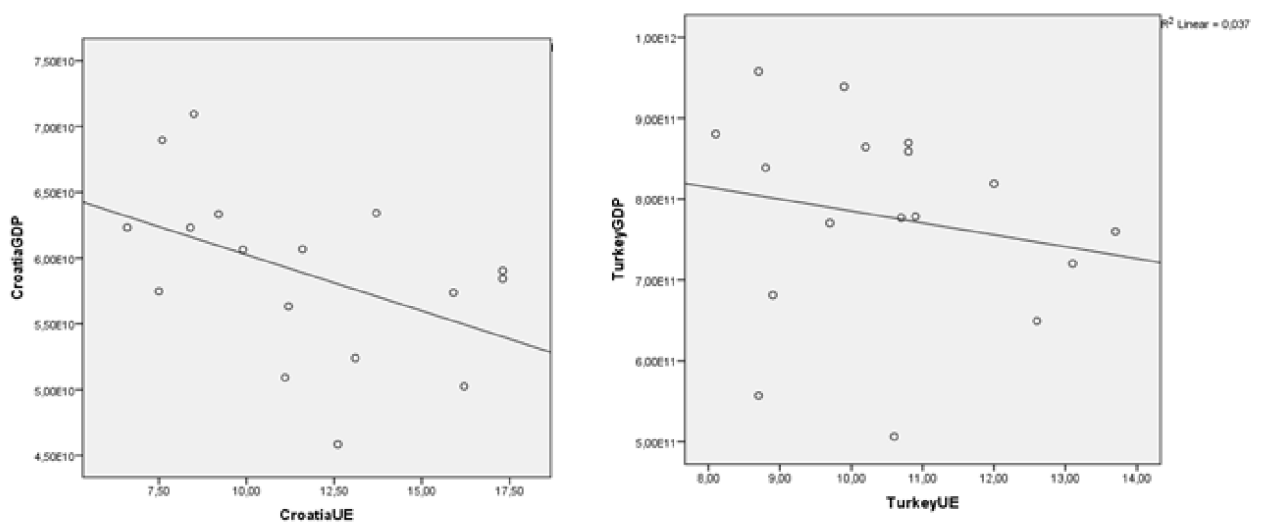
Source: Own Processing

In order to perform a simple linear regression analysis, the linearity and distribution of the data should be checked. In order to understand whether the relationship between GDP and labor force data for the years 2005-2021 for all four countries is linear or not, graphs with GDP data on the y-axis and unemployment value on the c-axis are drawn. Graphics are given below. As can be seen from the graphs, the relationships between the variables obtained from the data of the four countries are linear.

Figure 4. The Graphs of Variables for Selected Countries



Source: Own Processing



Source: Own Processing

The GDP data of the countries are shown on the vertical axis and the Unemployment rate data on the horizontal axis. When we look at the graphs, we can see that the relationship between the two variables used for Bulgaria, Croatia, Romania and Turkey, GDP and unemployment rate, is linear.

Another prerequisite in simple linear regression analysis is that the variables have a normal distribution. Therefore, the distribution of the variables should be checked before the analysis. There are some tests applied in the literature where the distribution of variables is tested. In this study, Kolmogorov-Smirnov test, one of these tests, will be applied. The Kolmogorov-Smirnov test is a widely used method in which the distribution of variables is tested. In this test, the hypotheses are designed as follows:

H_0 : Variables have normal distribution. ($p > 0.05$)

H_1 : Variables are not normally distributed. ($p < 0.05$)

Below are the results of Kolmogorov-Smirnov tests of GDP and Unemployment variables of countries.

Table 21. The Results of Kolmogorov-Smirnov Tests

		BulgariaGDP	CroatiaGDP	RomaniaGDP	TurkeyGDP
N		17	17	17	17
Normal Parameters	Mean	55544202231	58858916574	195168185594	77813090102
	Std. Deviation	12844356809	6512305168	46101825658	12469984772
Most Extreme Differences	Absolute	.176	.125	.175	.148
	Positive	.153	.125	.110	.088
	Negative	-.176	-.115	-.175	-.148
Kolmogorov-Smirnov Z		.726	.514	.722	.610
Asymp. Sig. (2-tailed)		.668	.954	.674	.851
		BulgariaUE	CroatiaUE	RomaniaUE	TurkeyUE
N		17	17	17	17
Normal Parameters	Mean	8.2	11.6	6.1	10.5
	Std. Deviation	2.8	3.5	1.1	1.6
Most Extreme Differences	Absolute	.148	.122	.248	.164
	Positive	.148	.107	.151	.164
	Negative	-.105	-.122	-.248	-.079
Kolmogorov-Smirnov Z		.609	.504	1.023	.676
Asymp. Sig. (2-tailed)		.853	.961	.246	.751

Source: Own Processing

When the Kolmogorov-Smirnov test results are examined, the GDP and unemployment variables of the four countries are Asymp. Shallow. It is seen that the (2-tailed) value (p) is greater than 0.05. Therefore, the H_0 hypothesis can be accepted. That is, all of these variables have a normal distribution.

After controlling for the distributions of all variables, in this section the relationship between GDP and unemployment data for individual countries will be analyzed using the simple linear regression method. In the Simple Regression method, GDP data was taken as the dependent variable and Unemployment data was taken as the independent variable. In the analysis, the logarithm of the GDP data was taken to make the interpretation easier. The Simple Linear Regression equation is constructed as follows.

$$Ln(GDP) = \alpha + \beta(Unemployment\ Rate) + \varepsilon \quad (1)$$

The simple linear regression results of Bulgaria's GDP and Unemployment variables are shown below.

Table 22. The Results of Simple Linear Regression (Bulgaria)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.419 ^a	.175	.120	.23280	.240	
Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	25.016	.179		139.715	.000
	BulgariaUE	-.037	.021	-.419	-1.785	.094

Source: Own Processing

When the results obtained are examined, it is seen that the relationship between GDP and Unemployment is significant in the 90% confidence interval ($p=0.094$), and unemployment rate explains the GDP by 17% ($R\text{-square}=0.175$). However, as expected, the relationship between unemployment rate and GDP was negative. The regression equation was obtained as follows.

$$Ln(GDP) = 25,016 + (-0,037)(Unemployment\ Rate) + \varepsilon \quad (2)$$

From this result it can be deduced that a 1% increase in the unemployment rate in Bulgaria would result in a 0.03% decrease in GDP.

The simple linear regression results of GDP and Unemployment variables for Croatia are shown below.

Table 23. The Results of Simple Linear Regression (Croatia)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.311 ^a	.097	.036	.24364	.214	
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.968	.209		119.251	.000
	CroatiaUE	-.022	.017	-.311	-1.267	.224

Source: Own Processing

When the regression results of Croatia were examined, it was concluded that there was no significant relationship between GDP and Unemployment rate ($p=0.224$).

The simple linear regression results of Romania's GDP and Unemployment variables are shown below.

Table 24. The Results of Simple Linear Regression (Romania)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.711 ^a	.506	.473	.18781	.523	
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.000	.268		100.903	.000
	RomaniaUE	-.168	.043	-.711	-3.916	.001

Source: Own Processing

When the results are examined, it is seen that the relationship between GDP and Unemployment ($p=0.001$) is significant, and unemployment rate explains 50% of GDP (R -square=0.506).

The relationship between unemployment rate and GDP was negative, and the regression equation was obtained as follows.

$$\ln(\text{GDP}) = 27,000 + (-0,168)(\text{Unemployment Rate}) + \varepsilon \quad (3)$$

From this result it can be deduced that a 1% increase in the unemployment rate in Romania would result in a 0.168% decrease in GDP.

The simple linear regression results of Turkey's GDP and Unemployment variables are shown below.

Table 25. The Results of Simple Linear Regression (Turkey)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.150 ^a	.023	-.043	.17788	.310	
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.534	.288		95.548	.000
	TurkeyUE	-.016	.027	-.150	-.588	.565

Source: Own Processing

When the results of Turkey obtained are examined, it is seen that the relationship between Turkey's GDP and Unemployment variables (p=0.565) is not significant.

According to the results of the regression analysis, while there was a significant and negative relationship between the GDP and unemployment rate of Bulgaria and Romania, no significant relationship could be found for Croatia and Turkey. Among the countries, it was seen that the relationship between GDP and unemployment was strongest in Romania.

After completing the regression analysis part, evaluations about the countries' unemployment rates can be continued.

Unemployment rates among the young population (ages 15-24) are also shown below for the 2005-2021 range.

Table 26. Total Youth Unemployment Rates of Selected Countries (% of Total Labor Force Ages 15-24) (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	22.3	31.9	20.3	19.5
2006	19.5	28.6	21.6	16.1
2007	15.1	25.0	20.3	16.9
2008	12.8	23.6	18.8	18.1
2009	16.2	25.2	21.0	22.4
2010	21.9	32.3	21.9	19.4
2011	25.1	36.6	23.8	16.4
2012	28.1	42.1	22.5	15.4
2013	28.4	50.0	23.7	16.6
2014	23.8	45.5	24.0	17.5
2015	21.7	42.4	21.6	18.1
2016	17.2	31.3	20.6	19.1
2017	12.9	27.4	18.4	20.1
2018	12.7	23.8	16.3	19.8
2019	8.9	16.7	16.8	24.8
2020	14.2	21.2	17.3	24.7
2021	15.8	21.9	21.0	22.4

Source: The World Bank Databank, 2022

The ranking in youth unemployment rates is similar to other rates. Youth unemployment rates in Bulgaria are low compared to other countries, while the youth unemployment rate in Turkey is the highest. Youth unemployment rates in Croatia have been quite high and have decreased in the last 3 years. As of 2021, youth unemployment rates in Croatia, Romania and Turkey are very close to each other.

After the evaluation of the countries' youth unemployment rates, the evaluation of the total female unemployment rates will be made in the next table. Total female unemployment rates in the countries are shown below.

Table 27. Total Female Unemployment Rates of Selected Countries (% of Female Labor Force) (2005-2021)

Year	Bulgaria	Croatia	Romania	Turkey
2005	9.8	13.9	6.4	11.2
2006	9.3	12.7	6.1	9.1
2007	7.3	11.3	5.4	9.2
2008	5.8	10.3	4.7	10.0
2009	6.6	10.7	5.8	12.6
2010	9.6	12.3	6.2	11.4
2011	10.1	13.7	6.5	10.1
2012	10.8	16.0	6.1	9.4
2013	11.8	16.8	6.3	10.6
2014	10.4	18.3	6.1	11.8
2015	8.4	16.9	5.9	12.6
2016	7.0	13.8	5.0	13.7
2017	5.9	11.9	4.0	13.9
2018	4.7	9.3	3.5	13.8
2019	3.9	7.2	3.4	16.4
2020	4.8	7.6	4.7	14.9
2021	5.0	8.0	5.0	14.7

Source: The World Bank Databank, 2022

In terms of female unemployment rates in countries, it is seen that Turkey has a very high female unemployment rate compared to other countries. In the last 16 years, while female unemployment has decreased in Bulgaria, Romania and Croatia, it has increased in Turkey. By 2021, this rate is 5% in Bulgaria and Romania, 8% in Croatia and 14.7% in Turkey.

4.5 Comparison of Inflation Rate (2005-2021)

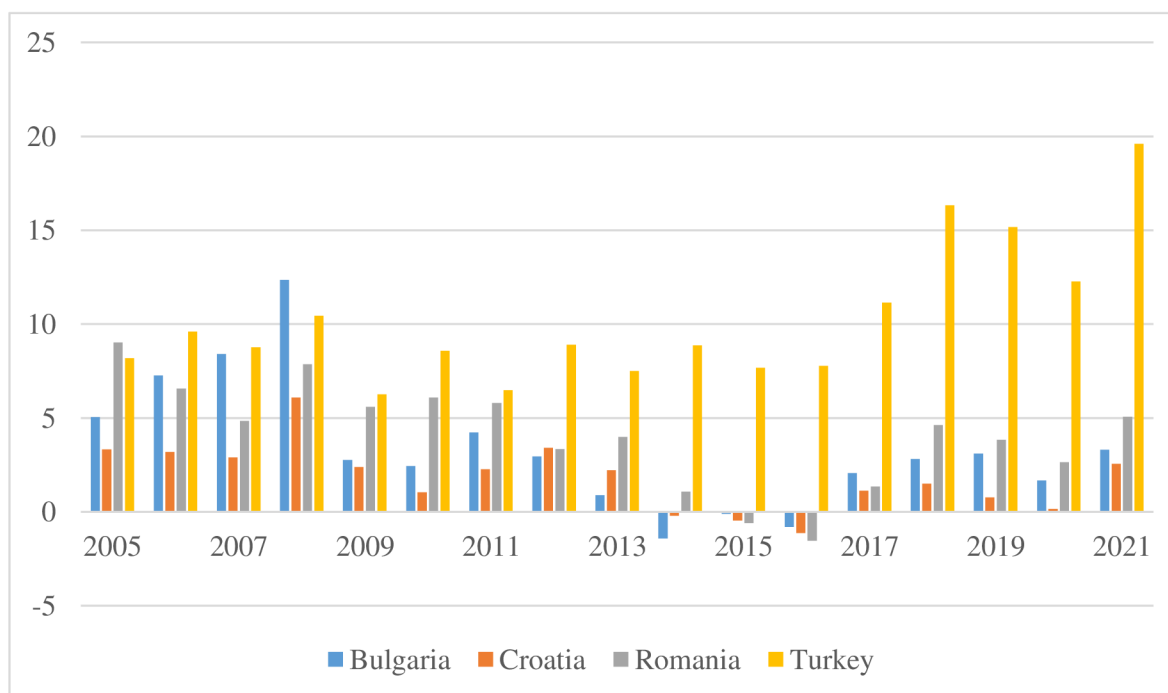
Inflation rates are an important macroeconomic indicator that can affect all other indicators in the country. Inflation rates, which are directly related to the foreign trade, exchange rate and monetary policies of the countries, are an important indicator of the economic situation in the countries. The Inflation rate data for Bulgaria, Romania, Croatia and Turkey between 2005 and 2021 is shown below.

Table 28. The Inflation Rate Data of Selected Countries in 2005-2021

Year	Bulgaria	Croatia	Romania	Turkey
2005	5.0	3.3	9.0	8.2
2006	7.3	3.2	6.6	9.6
2007	8.4	2.9	4.8	8.8
2008	12.3	6.1	7.9	10.4
2009	2.8	2.4	5.6	6.3
2010	2.4	1.0	6.1	8.6
2011	4.2	2.3	5.8	6.5
2012	3.0	3.4	3.3	8.9
2013	0.9	2.2	4.0	7.5
2014	-1.4	-0.2	1.1	8.9
2015	-0.1	-0.5	-0.6	7.7
2016	-0.8	-1.1	-1.5	7.8
2017	2.1	1.1	1.3	11.1
2018	2.8	1.5	4.6	16.3
2019	3.1	0.8	3.8	15.2
2020	1.7	0.2	2.6	12.3
2021	3.3	2.6	5.1	19.6

Source: The World Bank Databank, 2022

Figure 5. The Inflation Rate Data of Selected Countries in 2005-2021



Source: The World Bank Databank, 2022; own processing

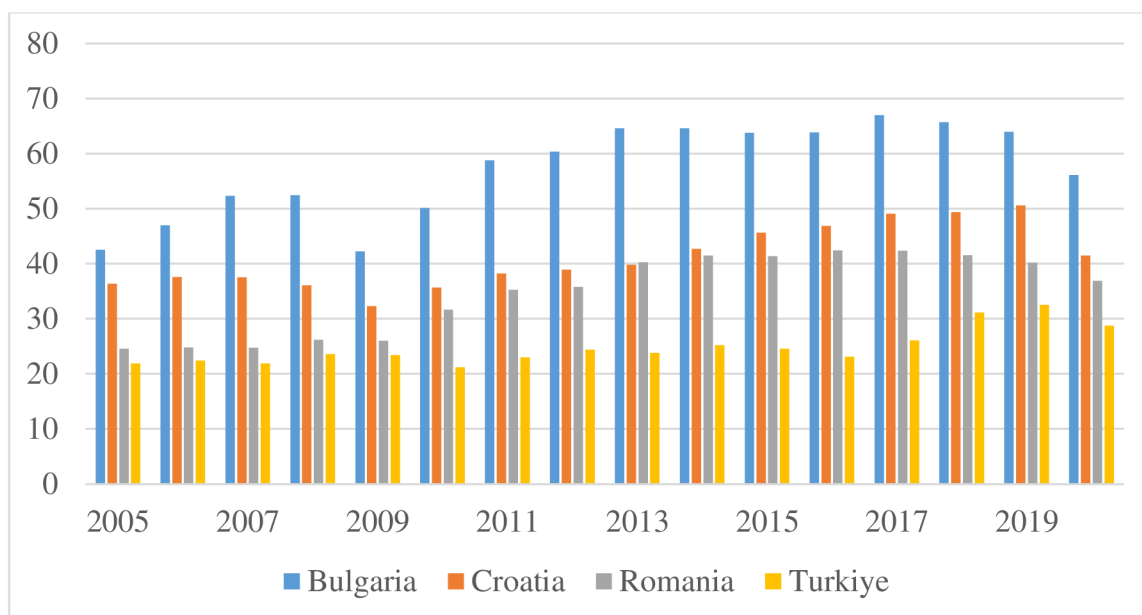
Considering the inflation rates of the countries, it is seen that there has been a serious increase in inflation in Turkey, especially in the last 5 years. In other countries, it is seen that inflation is higher in Bulgaria compared to others. In order to understand better the changes in the inflation rates of the countries, the change in inflation rates between 2005 and 2021 is shown above.

The inflation rates of the four countries between 2005 and 2021 are given above. When this figure is examined, it is seen that Turkey has the highest inflation rate in terms of inflation rate. Although the highest inflation rate was in Bulgaria in 2008, it is observed that Turkey's inflation rates are quite high compared to other countries in all other years. It is seen that the other three countries had negative inflation between 2014 and 2016. Besides, it is seen that the inflation rate of Croatia has been quite low compared to the others for 16 years. As of 2021, it is seen that Turkey has 19.6% inflation rate, Romania 5.05%, Bulgaria 3.3% and Croatia 2.55% inflation rate.

4.6 Comparison of Export Goods and Services (2005-2021)

The ratio of exports to GDP between 2005 and 2021 for Bulgaria, Romania, Croatia and Turkey is shown below.

Figure 6. The Export Data of Selected Countries in 2005-2021 (% GDP)



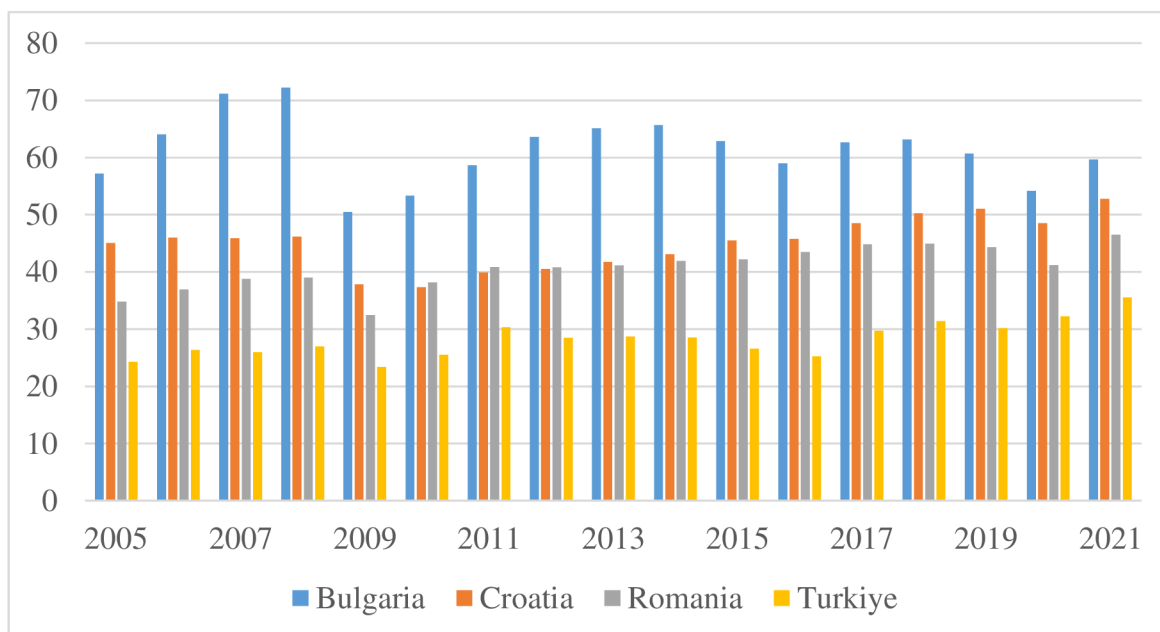
Source: The World Bank Databank, 2022; own processing

When we look at the figure above, where the goods and services export information is given compared to the GDP of the countries, it is seen that Bulgaria is in a better situation than other countries. The ratio of Bulgaria's exports to GDP increased from 42% in 2005 to 61% in 2021. After Bulgaria, Romania's export data ranks second among the four countries. While Romania's exports were 36% in 2005, this figure increased to 51% in 2021. After Romania, Croatia's exports were 24% of its GDP in 2005, while it reached 40% in 2021. Among the four countries, Turkey is the country with the lowest export compared to its GDP in the last 16 years. Turkey's exports, which were 21% in 2005, reached 35% in 2021.

4.7 Comparison of Import Goods and Services (2005-2021)

The ratio of imports to GDP between 2005 and 2021 for Bulgaria, Romania, Croatia and Turkey is shown below.

Figure 7. The Import Goods and Services of Selected Countries in 2005-2021



(%GDP)

Source: The World Bank Databank, 2022; own processing

Looking at the import data of countries according to their GDP, a similar picture emerges for exports. Bulgaria has the highest import data, followed by Romania, Croatia

and Turkey, respectively. Bulgaria's imports (% GDP) as of 2021 are 59%, Romania 52%, Croatia 46% and Turkey 35%.

4.8 Comparison of Human Development Index Data (2005-2021)

The Human Development Index scores of the four countries in the range of 2005-2021 and their world rankings as of 2021 are given in the table below.

Table 13. Human Development Index Data

	2005	2010	2015	2020	2021	2021 (Rank)
Bulgaria	0.762	0.79	0.809	0.802	0.795	68
Romania	0.756	0.807	0.813	0.824	0.821	53
Croatia	0.802	0.821	0.843	0.855	0.858	40
Turkey	0.7	0.749	0.817	0.833	0.838	48

Source: The World Bank Databank, 2022 own processing

When the table above is examined, it is seen that the Human Development Index scores of all four countries increased in this 16-year period. However, it is seen that Turkey showed the highest increase in relative terms. While Turkey was in the last place among the four countries in 2005, it rose to the second place in 2021. Among the countries, it is seen that Croatia had the highest HDI score during these 16 years. While Bulgaria had the best HDI score after Croatia in 2005, it was the country with the lowest HDI score in 2021.

5 RESULTS AND DISCUSSION

In the thesis, first, countries' GDP and GDP growth are compared. In the comparison, it has been observed that Turkey's GDP value is the highest among these four countries. This is due to Turkey's diverse and strong economic sectors, strategic location and large domestic market. Turkey's economy has a strong structure in different sectors such as energy, agriculture, tourism, automotive and textile. However, Turkey's economy is also sensitive to external shocks and political instability (Cevik et al., 2019). Romania's economic growth has increased significantly, thanks to its European Union (EU) membership and improvements in investment. It is seen that Romania stands out among other countries with its growth in energy, agriculture and service sectors. However, Romania needs to reform infrastructure and education in order to further accelerate its growth (Olimpia & Stela, 2017). Croatia's GDP, on the other hand, draws attention with its success in the tourism sector and its efforts to strengthen its economic structure by taking advantage of its EU membership. Although Croatia's tourism sector has great potential, it is important to ensure economic diversification and develop other sectors (Skare et al., 2019). Although Bulgaria draws attention with its low GDP value, it has been drawing attention by taking important steps towards economic growth in recent years. Although Bulgaria's economy has growth potential, especially in the energy, agriculture and service sectors, high unemployment and low investments limit economic development (Can & Korkmaz, 2019).

In the comparison of national income per capita, it has been observed that Romania has shown the greatest improvement since 2005. Romania, which had the lowest GNI per Capita among these four countries in 2005, has the highest GNI per Capita in 2021. As of 2021, Croatia ranks second, Turkey third and Bulgaria last in terms of GNI per Capita. The GNI Per Capita indicator is a very important indicator in terms of showing the welfare of the people living in the country. Countries with high GNI per Capita also have an advantage in terms of improving the living conditions and development of their citizens with the tax advantage they have. For this reason, this data is a very important indicator in terms of the level of development and development of countries (Saha, 2023). Although the GNI per Capita indicators of the four countries we compared in this thesis are on an increasing trend, they are behind the developed countries.

In the labor market comparisons of the countries, it has been seen that the country with the highest labor force is Turkey. Although Turkey's labor force has increased by 11 million people since 2005, it is seen that the labor force figures of the other three countries have decreased in the last 16 years. The labor market has a vital importance in terms of the continuity of enterprises, economic and social development of the country, standard of living and quality. The labor market plays a critical role in the sustainable economic and social growth of every country and region, the standard of living and quality of life of the population. The development and state of the labor market directly affects the growth of organizations and population. As one of the main markets, the development and condition of the labor market depends on the situation of other markets, but the labor market also affects other markets directly or indirectly. The smooth functioning, dynamics, structure and productivity of the economy determine the demand for labor in terms of both volume and structure and also affect labor cost. In a market economy, companies find and use their resources, including human resources, through markets and in line with applied rules, norms, institutions, strategies and policies. It is related to the income level of the population, professional and career development, the mechanisms that regulate the labor market, and the management of economic activities and social life (Terziev, 2019). Therefore, the labor market is an important indicator in terms of both showing how efficiently countries can use their human potential and showing the social justice in the country. Although Turkey has the highest labor potential, when other indicators of the labor market are examined, it is seen that Turkey has problems in using this labor potential. The country with the best labor force participation rate is Bulgaria. The rates of the other three countries are close to each other, between 51.1% and 51.8%. This rate has increased in Bulgaria, Croatia and Turkey in the last 16 years, but a decrease has been observed in Romania. The country with the best performance in female labor force participation is Bulgaria.

The rates of the other three countries are close to each other, between 51.1% and 51.8%. This rate has increased in Bulgaria, Croatia and Turkey in the last 16 years, but a decrease has been observed in Romania. The country with the best performance in female labor force participation is Bulgaria. Compared to other countries, Turkey is quite low. Serious efforts are being made to increase women's participation in the labor force across

Europe. These include measures such as job search aids, recruitment subsidies, incentives for women to start a business, and flexible working conditions and working hours. Results of empirical studies show that such social improvements positively affect women's labor force participation (Genre et al., 2010). Studies conducted in Turkey have revealed that it is caused by the working conditions of women, their roles in the family, and the lack of improvements in women's working conditions by the government or workplaces (Kilic & Ozturk, 2014). Although there has been an increase over the years, it is still quite low compared to other western countries. Again, in terms of unemployment rates and youth unemployment rates, Turkey's situation is worse than other countries. Although there has been a decrease in unemployment rates in the last 16 years in the other three countries, an increase in unemployment and youth unemployment rates has been observed in Turkey. Studies examining the high unemployment and youth unemployment rates in Turkey have revealed that inflation, trade deficit and real income are effective in increasing unemployment rates. However, it is stated that Turkey is insufficient in terms of education planning and long-term employment policies. It is also seen that the EU membership of the other three countries in terms of employment and the employment policies of the EU contribute positively to the labor markets of the countries (Yavuzaslan & Daglioglu, 2019).

One of the macroeconomic indicators that was compared between the four countries was inflation. In the inflation indicator, although there was a decrease in the inflation rates of Croatia, Bulgaria and Romania between the years 2005-2021, it is seen that the inflation rates of Turkey are both higher and on the rise than other countries. Gurkaynak et al. (2019) states that Turkey's experience of an experimental period in monetary policies since 2010 is the main reason for the increase in inflation. It is stated that the inability of the central bank to use the policy rate as a correct tool due to the pressures on it during this period is an important reason for the increase in inflation.

When we look at the ratio of exports and imports in GDP, it is seen that Turkey lags behind other countries, while Bulgaria draws a good picture compared to other countries in these ratios. In foreign trade data, it is known that the export of products with high added value has a significant impact on the development of countries and the improvement of other economic indicators. For this reason, it is seen that the ratios in foreign trade data also show themselves in other indicators. Bulgaria, Romania and Croatia, as members of

the European Union (EU), have established strong ties with EU countries in their foreign trade. Turkey, on the other hand, has important trade relations with the EU thanks to the Customs Union agreement. This explains the similarities between the foreign trade performances of the four countries. However, due to the geographical location, natural resources and economic structures of each country, there are significant differences between trade volumes and structures.

Looking at the Human Development index, it is seen that the scores of all four countries have increased since 2005. As of 2021, it has been seen that the country in the best condition is Croatia, and the country in the second position is Turkey. Kurkcu (2020), in his study on the Balkan countries, points out that the integration levels of Romania, Bulgaria and Croatia to the EU have increased rapidly in the post-membership period. It is stated that all three countries continue to converge towards the EU average in terms of the analyzed development indicators. In this respect, it can be stated that integration provides important contributions in all three countries. In this context, it can be said that integration with the EU has increased the development levels of these countries (Kurkcu, 2020). The results obtained in this thesis study show that all macroeconomic indicators of these three countries between 2005 and 2021 are progressing in a positive direction. However, the decreasing labor force and population rates for all three countries appear as an important risk factor in production and development in the coming years. Although there is an important potential in terms of workforce and population in Turkey, it is seen that this potential cannot be used efficiently, and the fact that the political decision makers in the country have an influence on the decisions of the central bank plays a negative role in the macroeconomic indicators of the country (Gurkaynak et al., 2019).

6 CONCLUSION

In this study, a comparison was made with Bulgaria, Romania and Croatia, which are the last members of the European Union, and Turkey, whose membership negotiations are still ongoing, based on macroeconomic indicators. In the comparison, the countries were compared both economically and the labor markets of the countries, which are the result of their economic conditions, were compared. By examining the important economic indicators of the four countries such as economic growth, inflation, labor market and foreign trade, it has been tried to determine their common and different aspects. These similarities and differences, which are remarkable in terms of regional cooperation and competition, play an important role in determining the economic policies and strategies of the four countries.

In the comparison, GDP, GDP Growth, inflation and foreign trade indicators as macroeconomic indicators, labor force, labor force participation, unemployment, youth unemployment and female labor force participation as indicators of economic development and welfare, GNI per Capita and HDI indicators 2005 and 2021 compared with data between years.

Bulgaria, Romania and Croatia, as members of the European Union (EU), are trying to adapt to EU norms and rules in their economic policies. have been found to continue to do so. This situation leads to similar trends in the economic indicators of the four countries. Turkey, on the other hand, is trying to converge to EU norms in its economic policies, as it is in the process of membership to the European Union. Among these countries, it is seen that Bulgaria is ahead of the others in terms of labor force participation and employment, and when HDI and GNI Per Capita are considered in terms of development, Croatia is ahead of the others. It has been observed that Turkey, on the other hand, could not get enough efficiency from this potential despite its population and workforce potential, size and geographical advantages.

In unemployment rates, it is an important component of the social and economic problems of the four countries. Unemployment rates in Bulgaria, Romania and Croatia are close to the EU average. In Turkey, the unemployment rate is at a higher level and is among the priority targets of economic policies.

In conclusion, the economic performance and problems of the four countries present significant opportunities and risks in terms of regional cooperation and competition. These similarities and differences need to be taken into account when determining the economic policies and strategies of the four countries. In addition, it is important to develop joint projects and policies in the fields of economic and commercial cooperation in order to support the economic development processes of the four countries and increase their regional competitiveness. In this context, regional economic integration processes can be considered as an important tool to strengthen the economic performance and development potential of the four countries.

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