

Editorial

Structural Reforms, Sustainability, and Economic Transformation in Emerging and Transitional Economies

Editor-in-Chief: PhD Professor Laura Nicola-Gavrilă

Guest Editor: PhD Professor Maryna Martynenko

Suggested citation:

Nicola-Gavrilă, L., & Martynenko, M. (2026). Structural Reforms, Sustainability, and Economic Transformation in Emerging and Transitional Economies (Editorial). *Journal of Applied Economic Sciences*, Volume XXI, Special Issue, 1(91), 7–10.
[https://doi.org/10.57017/jaes.v21.1\(91\).editorial](https://doi.org/10.57017/jaes.v21.1(91).editorial)

Keywords: structural reforms; sustainable development; emerging economies; economic transformation; institutional governance.

JEL Classification: O10; O20; O43; F63.

Abstract

This editorial introduces the Special Issue of the *Journal of Applied Economic Sciences* entitled “*Structural Reforms, Sustainability, and Economic Transformation in Emerging and Transitional Economies*.” The collection of studies examines how structural reforms interact with macroeconomic stability, institutional governance, financial sustainability, and technological innovation to shape contemporary development trajectories. Drawing on empirical evidence from Europe, the Middle East, Africa, and Asia, the contributions provide new insights into the mechanisms through which reforms influence economic resilience, institutional capacity, and sectoral transformation. Together, the articles highlight the importance of integrated policy approaches capable of supporting inclusive and sustainable economic development in emerging and transitional economies.

Keywords: structural reforms; economic transformation; emerging economies; sustainability; institutional governance; digital transformation.

JEL Classification: O10; O20; O43; F63.

Background Research

Structural reforms have long been recognized as a fundamental mechanism through which economies adapt to evolving global economic conditions and improve long-term development outcomes. In emerging and transitional economies, such reforms frequently aim to strengthen macroeconomic stability, enhance institutional governance, improve fiscal sustainability, and promote innovation-driven growth. Economic globalization, technological change, and financial integration have significantly increased the importance of reform strategies designed to improve productivity, competitiveness, and economic resilience (Nasreen et al., 2020; Dallago, & Casagrande, 2026).

A growing body of literature highlights that sustainable economic transformation requires coordinated reforms across multiple policy domains. Fiscal sustainability, institutional capacity, and technological innovation are increasingly viewed as interconnected points of development in emerging markets (Drago et al., 2025; Ketchoua et al. 2026). Empirical research further suggests that the effectiveness of structural reforms depends not only on macroeconomic policy adjustments but also on institutional quality, governance frameworks, and regulatory capacity (Vogel, 2025; Küçükçolak, et al., 2026; Barra, et al., 2025) Others institutional recent studies emphasize the role of sustainability-oriented

policies, digital transformation, and environmental, social, and governance (ESG) considerations in shaping contemporary economic reform agendas (OECD, 2024; World Bank, 2023).

Against this background, understanding how structural reforms interact with sustainability objectives and technological transformation has become increasingly important for policymakers and researchers alike.

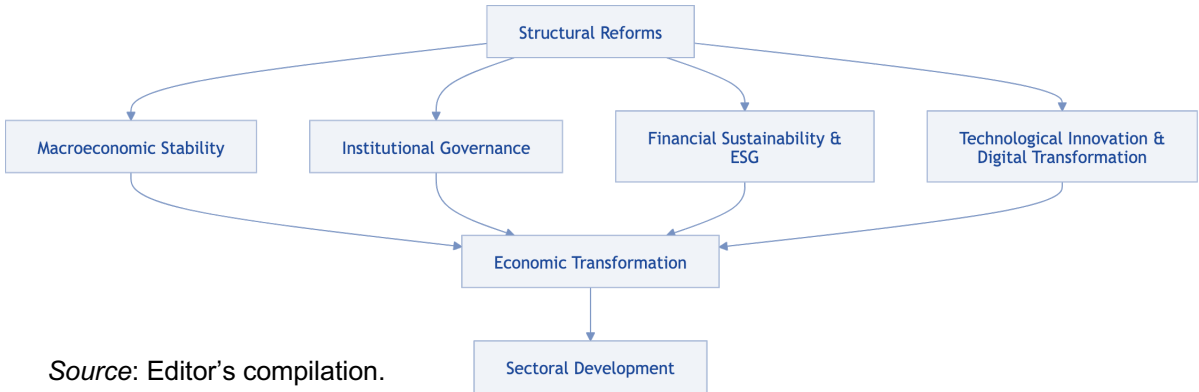
Emerging and transitional economies are undergoing profound structural transformations shaped by globalization, technological change, institutional restructuring, and increasing sustainability pressures. Over the past decades, structural reforms have emerged as a central policy instrument through which governments seek to strengthen macroeconomic stability, improve governance frameworks, enhance financial resilience, and support long-term economic development. At the same time, firms and industries operating within these economies are adapting to rapidly evolving global markets, digital technologies, and new sustainability-oriented regulatory environments. Consequently, structural reforms can no longer be understood solely as macroeconomic stabilization policies; rather, they represent a broader process of systemic economic transformation affecting institutions, financial systems, technological innovation, and sectoral development.

The Special Issue of the *Journal of Applied Economic Sciences (JAES)* entitled “*Structural Reforms, Sustainability, and Economic Transformation in Emerging and Transitional Economies*” brings together a diverse set of empirical and theoretical contributions that explore the multiple dimensions of contemporary economic transformation. The contributions reflect the growing recognition that sustainable development and structural reforms represent deeply interconnected processes shaping economic performance in emerging and transitional economies. Rather than functioning as isolated policy interventions, structural reforms interact dynamically with institutional governance, financial systems, technological innovation, and sectoral development processes, influencing the long-term capacity of economies to achieve resilient, inclusive, and sustainable growth.

From a conceptual perspective, the studies included in this Special Issue can be understood within a multidimensional framework of economic transformation in which structural reforms interact with four major domains of economic development: macroeconomic stability, institutional governance, financial sustainability, and technological innovation. These dimensions collectively shape the pathways through which emerging and transitional economies pursue sustainable and resilient growth. Structural reforms implemented at the macroeconomic level influence fiscal sustainability, financial markets, and external economic relations, while institutional governance determines the effectiveness of policy implementation and regulatory frameworks. At the same time, technological innovation and sectoral transformation reshape production systems and organizational structures, ultimately influencing productivity, competitiveness, and long-term development prospects.

Figure 1 presents the conceptual framework of the Special Issue, illustrating how structural reforms interact with macroeconomic stability, institutional governance, financial sustainability, and technological innovation to shape broader processes of economic transformation in emerging and transitional economies.

Figure 1: Conceptual Framework of Structural Reforms and Economic Transformation



Source: Editor’s compilation.

Within this framework, macroeconomic reforms influence fiscal sustainability, financial markets, and external economic relations. Institutional reforms strengthen governance mechanisms, regulatory capacity, and economic security. Financial sustainability and corporate governance increasingly incorporate environmental, social, and governance (ESG) considerations, while technological innovation and digital transformation reshape business models and production systems. Sectoral development processes, including industrial modernization, agricultural transformation, and resource management, represent the applied context in which these reforms materialize.

Overview of Contributions

The contributions included in this Special Issue can be broadly organised around several interconnected dimensions of economic transformation in emerging and transitional economies. The studies share a common focus on understanding how policy reforms and organizational adaptation shape economic resilience and long-term development trajectories.

A first group of contributions examines the macroeconomic foundations of structural reforms. Research on fiscal policy and economic performance highlights the role of fiscal reforms in supporting sustainable growth in transitional economies, while other studies investigate the developmental implications of international financial inflows and their relationship with welfare outcomes. Complementary insights are provided by analyses of sovereign risk pricing in emerging markets and by empirical evidence on exchange rate volatility and financial market dynamics in the MENA region. Together, these studies emphasize the importance of macroeconomic stability and sound financial frameworks for supporting structural transformation.

A second group of articles focuses on institutional governance and economic security. These studies address issues such as mechanisms for preventing tax evasion and financial crimes, the evolving role of political elites in shaping reform trajectories under globalization, and the contribution of public policy instruments to stimulating innovation and economic modernization. Additional contributions analyse internal control systems, strategic management of intangible assets, and governance mechanisms that strengthen organizational resilience and economic security within innovative enterprises.

Another set of studies explores the growing importance of financial sustainability and corporate governance in emerging markets. Contributions in this area investigate how environmental, social, and governance (ESG) considerations influence corporate capital structure decisions, sustainability disclosure practices, and firm performance. In parallel, research on digital transformation examines how technological change affects corporate sustainability outcomes and reshapes governance practices in contemporary business environments.

Technological innovation and digital transformation also emerge as central drivers of organizational and economic change. Several contributions analyse how enterprises adapt their business models, managerial practices, and investment strategies in response to digital technologies and artificial intelligence. These studies highlight the transformative potential of digitalization for improving managerial effectiveness, strengthening investment activity, and enhancing firm competitiveness in transitional economic contexts.

Finally, a number of contributions address sectoral transformation and sustainable development challenges across different economic sectors. These studies explore topics such as green technological innovation and human development in resource-dependent economies, agricultural market dynamics in regulated environments, the functioning of relationship lending mechanisms in public finance, and strategic cost management practices aimed at improving industrial efficiency. Collectively, these analyses illustrate how sector-specific reforms and managerial innovations interact with broader structural transformations to support sustainable development pathways.

An additional strength of this Special Issue lies in the geographical diversity of the empirical evidence presented. The contributions bring together research focusing on economies from Europe, the Middle East, Africa, and Asia, reflecting the heterogeneous institutional, economic, and developmental contexts in which structural reforms unfold. Incorporating perspectives from countries such as Ukraine,

North Macedonia, Turkey, Iraq, India, Malaysia, Sri Lanka, Nigeria, and several African economies, the Special Issue highlights the global relevance of structural transformation processes while also acknowledging the regional specificities that shape reform outcomes. This diversity of empirical contexts contributes to a richer understanding of how structural reforms interact with governance systems, financial markets, and technological change across different development trajectories.

The Special Issue also reflects methodological diversity, employing a wide range of analytical approaches to investigate structural transformation processes. The contributions include panel econometric models, dynamic threshold regressions, system GMM estimations, sentiment analysis techniques, and comparative institutional analyses. This methodological plurality allows the studies to capture different dimensions of economic transformation, from macroeconomic policy dynamics and financial market behaviour to firm-level governance mechanisms and sectoral development processes.

The contributions gathered in this Special Issue demonstrate that structural reforms in emerging and transitional economies cannot be understood through isolated policy interventions or sector-specific adjustments. Rather, economic transformation emerges from the complex interaction between macroeconomic stability, institutional governance, financial sustainability, technological innovation, and sectoral development processes. By bringing together empirical evidence and analytical insights from diverse regional contexts across Europe, the Middle East, Africa, and Asia, this Special Issue contributes to the growing scholarly debate on the design and implementation of reform strategies capable of supporting resilient, inclusive, and sustainable economic systems. In doing so, the *Journal of Applied Economic Sciences* continues to provide an international platform for interdisciplinary research addressing the structural challenges and policy opportunities shaping contemporary economic development.

References:

- Nasreen, S., Mahalik, K. M., Shahbaz, M., & Abbas, Q. (2020). How do financial globalization, institutions and economic growth impact financial sector development in European countries? *Research in International Business and Finance*, Volume 54, 101247. <https://doi.org/10.1016/j.ribaf.2020.101247>
- Dallago, B., & Casagrande, S. (2026). Introduction: Globalization and Economic Integration. *Journal of Risk and Financial Management*, 19(3), 208. <https://doi.org/10.3390/jrfm19030208>
- Drago, C., Costantiello, A., Arnone, M., & Leogrande, A. (2025). Bridging Sustainability and Inclusion: Financial Access in the Environmental, Social, and Governance Landscape. *Journal of Risk and Financial Management*, 18(7), 375. <https://doi.org/10.3390/jrfm18070375>
- Ketchoua, G. S., Wirajing, M. A. K., & Kouladoum, J. C. M. (2026). Sustainable development outcomes of tech-based industrialization in emerging markets. *African Journal of Science, Technology, Innovation and Development*, 1–26. <https://doi.org/10.1080/20421338.2026.2621422>
- Vogel, L. (2025). Reforms and Investments the Benefits of Joint Implementation. *European Economy Economic Briefs*, Issue 084, June 2025. https://economy-finance.ec.europa.eu/document/download/e681c841-6e02-42f7-a0ef-0e0eebf7b58_en?filename=eb084_en.pdf
- Küçükçolak, R. A., Bozkurt Ateş, G., Küçüköğlü, S. (2026). Governance quality and long-run economic growth: comparative evidence from G7 and E7 economies. *Economic Change Restructuring*, 59, 23. <https://doi.org/10.1007/s10644-026-09972-w>
- Barra C, Papaccio A, Ruggiero N (2025). The effect of institutional quality on economic efficiency: evidence from European countries. *Journal of Economic Studies*. <https://doi.org/10.1108/JES-01-2025-0049>