

Entrepreneurial Eco-system Development: Turkey v Korea

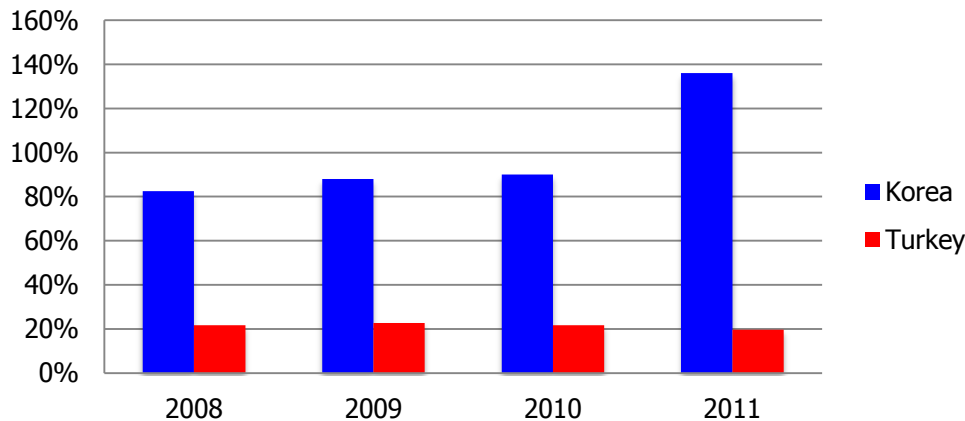
Ussal Sahbaz

KCMI – TEPAV Joint Policy Conference

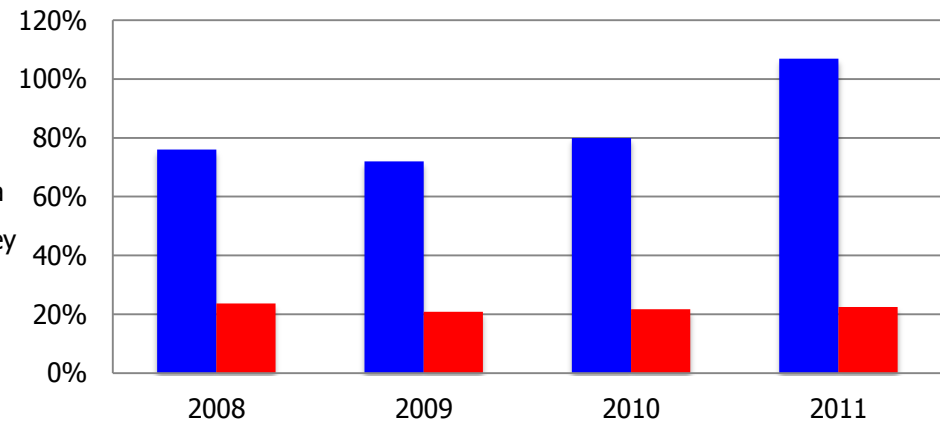
17 September 2013, Ankara

Turkey is less conglomerate dominated

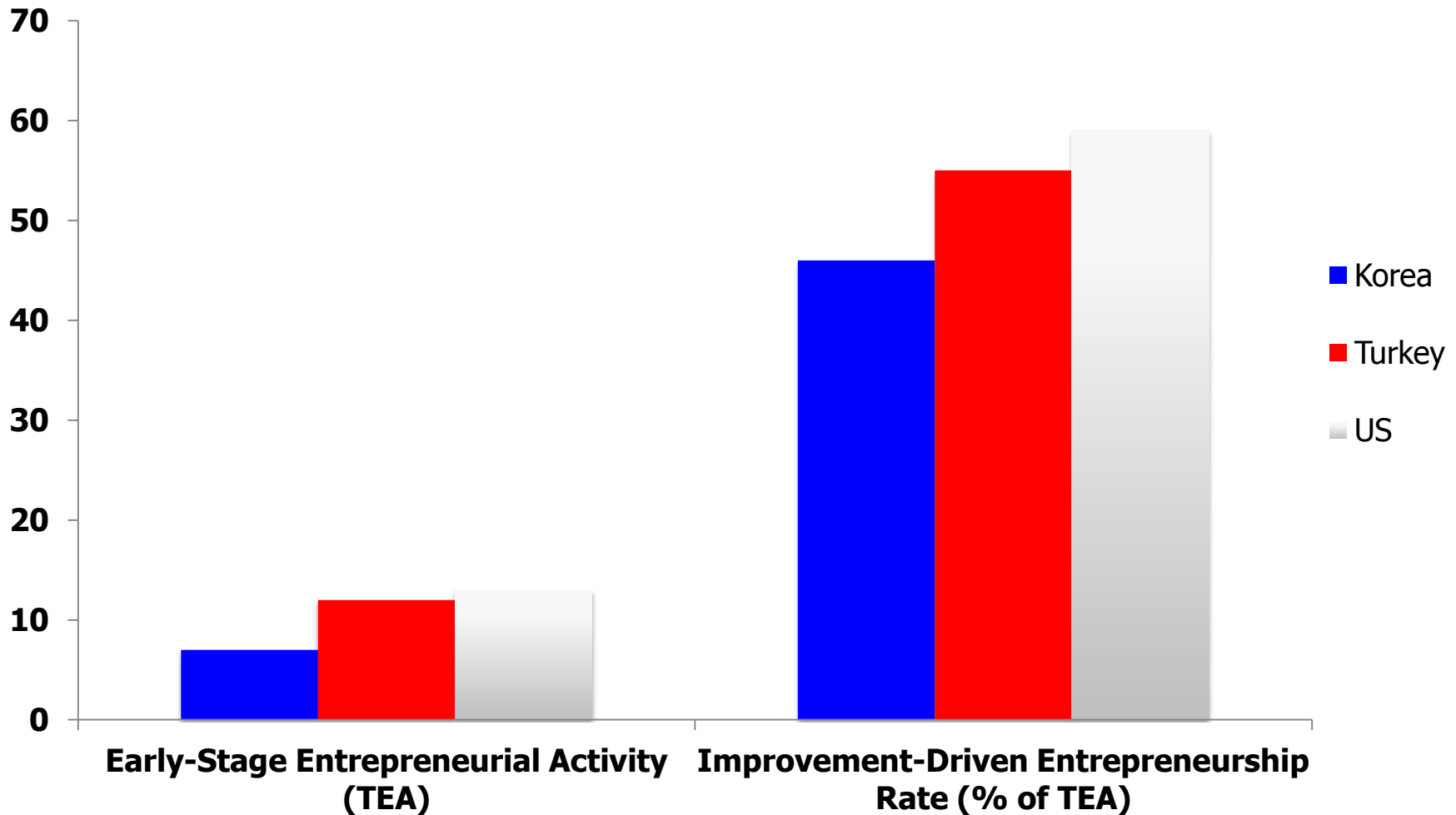
Share of Top 30 Firms' Asset in GDP



Share of Top 30 Firms' Revenue in GDP

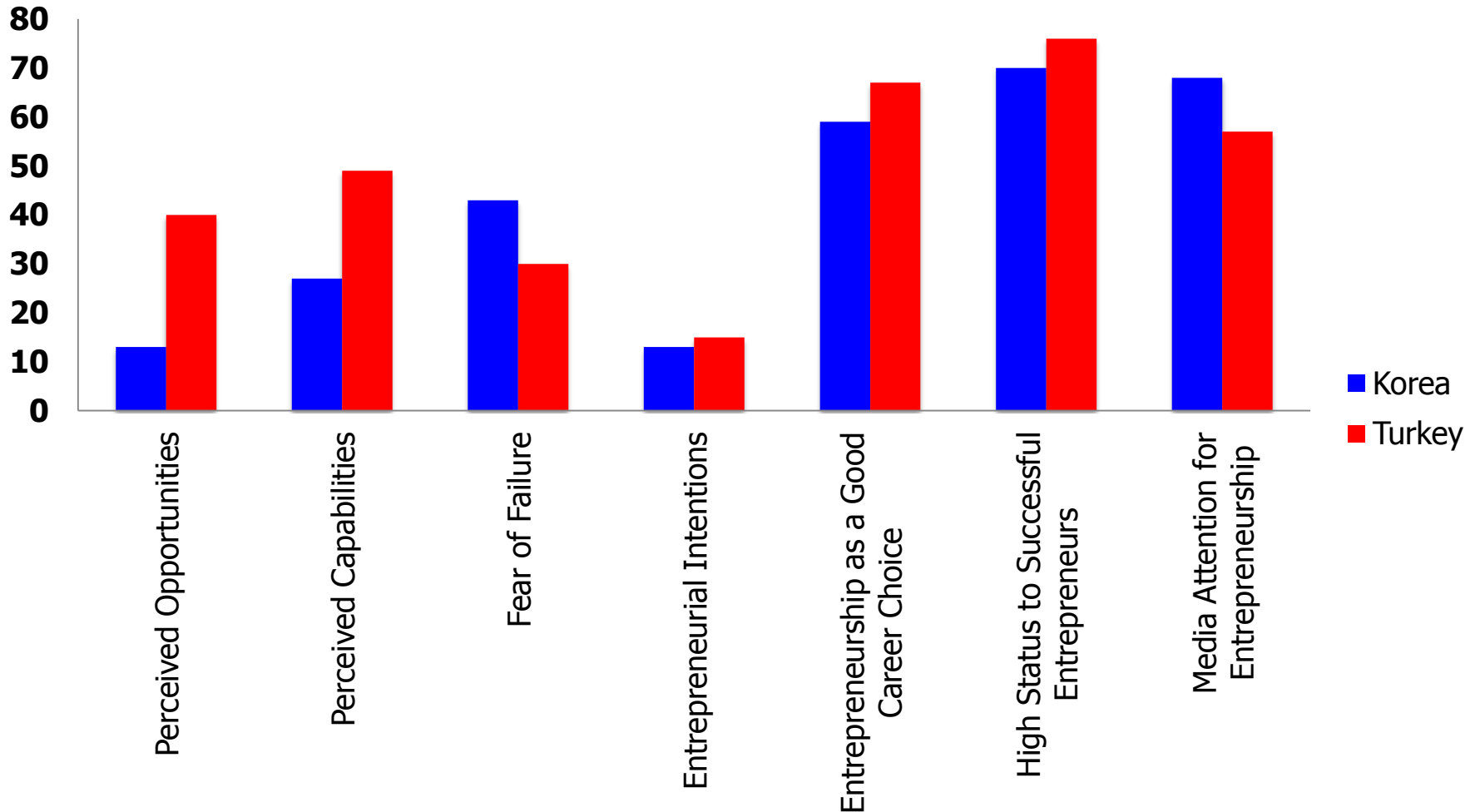


Turkish attitudes are more entrepreneurial (1/2) GEM entrepreneurial activity indexes (2012)

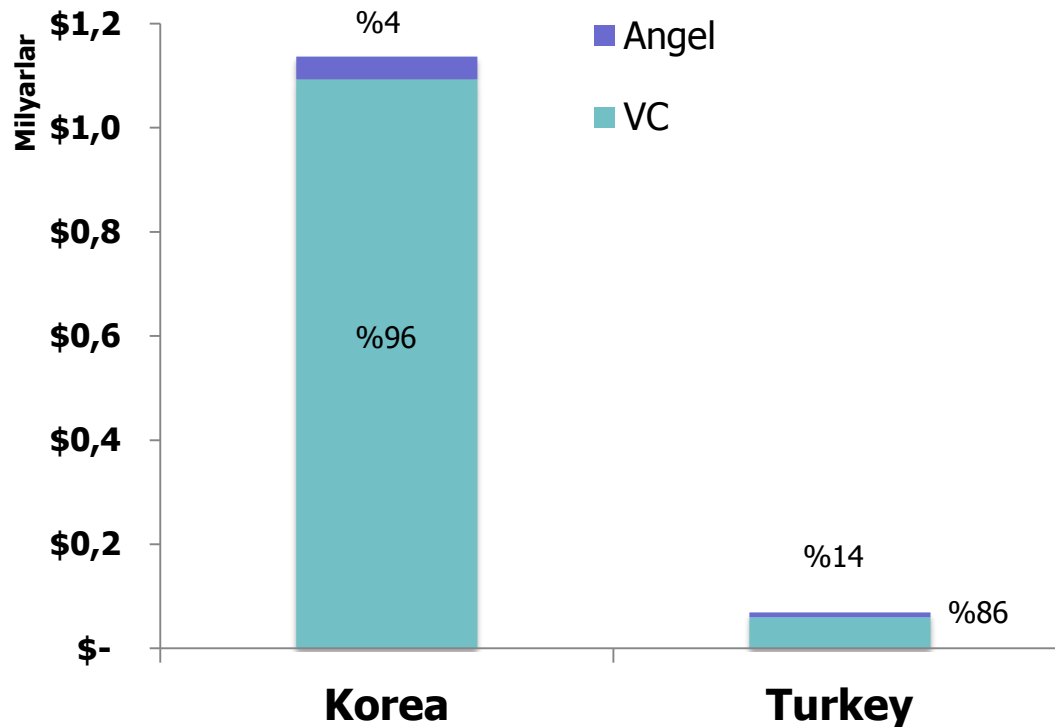


Turkish attitudes are more entrepreneurial (2/2)

GEM entrepreneurial activity indexes (2012)



However Korea leads in the VC ecosystem: Breakdown of Angel vs. VC Investment (2011)



Korea Total Investment/
GDP= %10

Turkey Total
Investment/GDP= %1

Turkey lacks behind in entrepreneurship policy area

Policy Interventions for Start-ups/ Early Stage (0-3 years)

	Korea	Turkey
Private Sector	<ul style="list-style-type: none"> Promotion of Angel Investment <ul style="list-style-type: none"> Income Tax Deduction 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Introduction of Crowdfunding 	<input type="checkbox"/>
Policy Finance	<ul style="list-style-type: none"> Future Creation Fund (Early-Stage) 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Angel Matching R&D Fund 	<input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> Special Guarantee for to-be entrepreneurs 	<input type="checkbox"/>
Enabling Conditions	<ul style="list-style-type: none"> Promotion of Start-up Platform 	
	<ul style="list-style-type: none"> Various Startup Projects 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Incubation-Investment-R&D Technology Startup 	<input type="checkbox"/>
Human Resources	<ul style="list-style-type: none"> Promotion of Startups by Researchers 	<input checked="" type="checkbox"/>

Turkey lacks behind in entrepreneurship policy area

Policy Interventions for Expansion Stage (4-9 years)

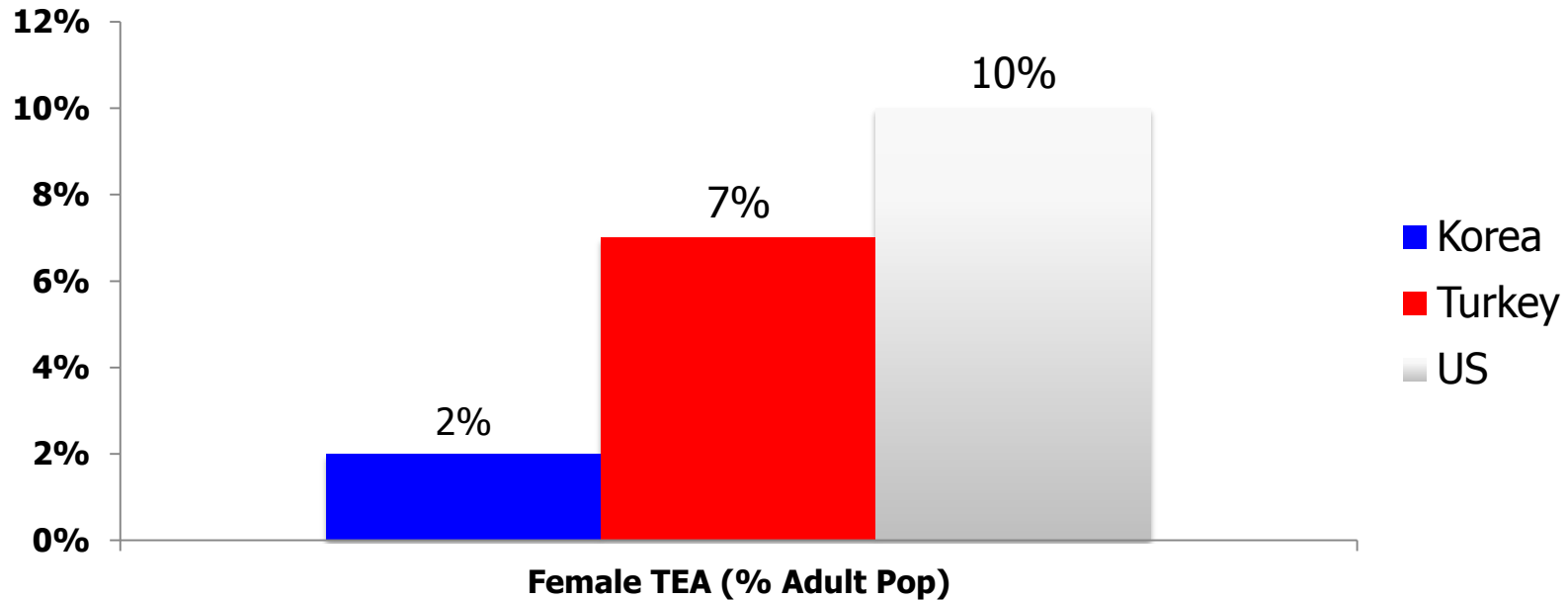
	Korea	Turkey
Private Sector	Promotion of Technology Innovation M&A	<input type="checkbox"/>
	Buyer: Corporate Income Tax Deduction	<input type="checkbox"/>
	Seller: Donation Tax Deduction	<input type="checkbox"/>
	Simplification of SME M&As	<input type="checkbox"/>
Policy Finance	Future Creation Fund	<input type="checkbox"/>
	IP Protection Fund	<input type="checkbox"/>
	M&A Guarantee Fund / Convergence Fund	<input type="checkbox"/>
Enabling Conditions	Protection of Technology Owned by Ventures	<input checked="" type="checkbox"/>
	M&A Market Infrastructure	<input type="checkbox"/>
	M&A Info Market	<input type="checkbox"/>
	Technology Evaluation DB	<input type="checkbox"/>
Human Resources	Improvement on Venture Stock Option Rules	<input type="checkbox"/>

Turkey lacks behind in entrepreneurship policy area

Policy Interventions for Exit/Late Stage (10-15 years)

	Expansion Stage (4-9 years)	Process
Private Sector	• Tax Favor to Exit Proceeds	<input type="checkbox"/>
	• Establishment of Stock Exchange for New Ventures	<input checked="" type="checkbox"/>
	• Enhancement of ISE	<input type="checkbox"/>
Policy Finance	• Re-startup Angel Matching Fund	<input checked="" type="checkbox"/>
	• Growth Ladder Fund	<input checked="" type="checkbox"/>
	• Re-startup Support Loan	<input type="checkbox"/>
Enabling Conditions	• Improvement in Re-Startup Environment	
	○ Removal of Joint and Several Liability on Guarantee	<input type="checkbox"/>
	○ Loosening of Credit Restriction of Failed Entrepreneurs	<input type="checkbox"/>

Yet there might be some similarities (1/2) Female entrepreneurship is lower in Korea



Yet there might be some similarities (2/2)

- Untapped potential of female entrepreneurs
 - Turkey has the highest men to women TEA ratio among efficiency driven economies
 - Korea has an even a lower ratio
- Mid-sized domestic consumer market might become a curse
 - Most star ventures are B2C and domestic market focused
 - More B2B and globally-born ventures needed
- Immigrant entrepreneurship?
 - Not even on agenda in Turkey

Some lessons from Korean entrepreneurship policy

- Eco-system development approach
 - Horizontal programs, not picking winners
- Clear strategy and policy coordination
 - "creative economy"
- Evidence-based policy-making
 - Impact analysis for entrepreneurship support programs (none has been done so far)