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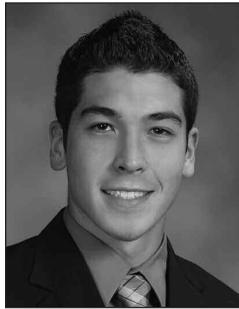
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YOUTH ENTREPRENEURSHIP IN TURKEY: FREEING UNPRECEDENTED POTENTIAL FOR ECONOMIC GROWTH

Alex Kubo



Introduction

The entrepreneurial spirit, born from and embracing creativity, initiative, and perseverance, is an inspirational force fueled by the entrepreneurial opportunity and capacity of a nation. From conceptualization to realization, entrepreneurship is young and vibrant by nature and is often conceived in youthful, creative minds. Therefore, in developing the opportunities for, and the viability of, entrepreneurship in Turkey as a means to invigorate the nation's economic growth, an emphasis must be placed on its promotion and support at a youth level.

In this article I first introduce the benefits of widespread youth entrepreneurship and the correlation between it and potential national economic growth in Turkey. I then examine the current obstacles preventing this growth in Turkey and formulate a plan for improvement. For purposes of reference, the definition of

“youth entrepreneurship” that this article adheres to, as adopted from a paper by Francis Chigunta, a former Oxford University student, is as follows: Youth entrepreneurship is the “practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment, using the appropriate skills necessary for success in that environment and culture” (Chigunta, p. v) by people under the age of 25.

Research Model: Background and Justification

For sake of comparison, the World Economic Forum¹ defines three consecutive stages of economic development that correspond to progress towards economic prosperity.

¹The World Economic Forum (WEF) is a non-profit foundation based in Geneva that conducts research and supports initiatives dealing with cooperative economic progress and social development.

Economies in the basic agrarian stage are labeled “factor-driven.” Economies that have advanced beyond this initial stage are labeled “efficiency-driven” and are host to a developing industrial sector. Economies that progress beyond this second stage into the third, prosperous stage are labeled “innovation-driven.” Note that every national economy is host to some level of each of the three principal stages of economic development. However, the WEF groups national economies into one of the three according to which stage is dominant. (“Global Competitiveness . . .,” p. 12) Turkey’s economy is categorized within the efficiency-driven stage, and its entrepreneurial characteristics are measured here against those of other countries that fit into this stage and of countries that have reached the innovation-driven stage. (“Global Competitiveness . . .,” p. 12)

Traces of Turkish Entrepreneurship

Turkey has yet to achieve the true potential of its economic strength. According to the Global Entrepreneurship Monitor,² entrepreneurship is one of three primary contributors to national economic growth, along with established firms and new branches of these firms. (“2008 Executive Report,” p. 10) Turkey exhibited the tenth lowest level of entrepreneurial activity of the 43 nations included in the Global Entrepreneurship Monitor’s “2008 Executive Report.” (p. 20)

While Turkey’s recent entrepreneurial activity reflects a lack of entrepreneurship, some notable exceptions have surfaced over time and have made significant impacts on Turkey’s economic growth. For example, after just five years in operation as a jeans company, Mavi became the most popular brand of jeans in the Turkish fashion industry. In addition to its domestic market, Mavi now distributes its apparel to North America, Eastern Europe, North Africa, the Middle East, and Australia. In recognition of this success, Ersin Akarlilar, one of the founders of Mavi, won first place at Ernst & Young’s 2007 *Entrepreneur of the Year* contest. (“Mavi Milestones”) This example of

entrepreneurial success is not an isolated one and provides evidence that opportunity exists in Turkey. Although entrepreneurial activity has historically been stagnant in Turkey, it cannot be labeled as altogether absent.

Youth Entrepreneurship: A Powerful Resource

The potential for Turkey to achieve substantial economic growth by taking advantage of its youth entrepreneurship resource is tremendous. Roughly 34 percent of the Turkish population is under the age of 18, and roughly 13 percent of the population is between the ages of 18 and 24. (“Country Statistical Profiles 2010: Turkey”) With a 2008 population of 69.7 million people, these proportions amount to almost 24 million people under the age of 18 and over nine million people between ages 18 and 24. (World Economic Outlook Database)

Turkey’s economy will gain a competitive advantage through the engagement of its youth in entrepreneurial endeavors. Spreading youth enterprise can reduce welfare costs and increase revenue for the government. It can also encourage the development of a dynamic small business sector, increase demand in the local economy, and improve community involvement. (“Youth Entrepreneurship . . .”) Furthermore, young minds may be particularly responsive to emerging trends and opportunities in the economy. Young entrepreneurs can also offer a significant resource in being able to identify alternatives to current organization, technology, and market approaches. (“Putting the Young . . .”) As Carlos Borgomeo, Vice Chair of the OECD LEED Directing Committee, emphasizes:

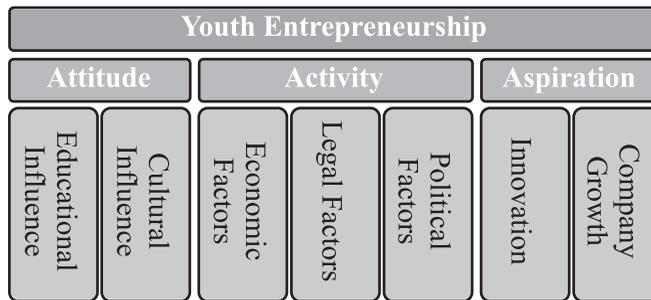
This is the opportunity that has to be seized. Youth has a natural disposition for innovation and change on which we can capitalize, as long as we are clear that successfully launching a new enterprise — however small — is a process of innovation. (Borgomeo, as quoted in Chigunta, p. 2)

In addition to its advantages at the national level, youth entrepreneurship offers a variety of benefits specifically to the young ambitious men and women who pursue their own entrepreneurial endeavors. Chigunta notes

²The Global Entrepreneurship Monitor (GEM) is an annual assessment of entrepreneurial activity conducted by the London Business School and Babson College.

Figure 1

Three Framework Conditions of Entrepreneurship and Their Respective Contributors



Source: Author's figure based on terminology from "2008 Executive Report."

that youth enterprise could provide a sense of “meaning and belonging” to the marginalized youth present in the developing economy of Turkey. (Chigunta, p. 2) Programs that support the development of youth entrepreneurship provide their participants with skills that can also help them adapt to non-entrepreneurial employment. (“Putting the Young . . .”) Therefore, regardless of whether program participants pursue their own entrepreneurial ambitions or seek employment in established firms, their value to business and thereby to the Turkish economy is significantly enhanced.

Entrepreneurship in Turkey

The Global Entrepreneurship Monitor identifies three framework conditions of entrepreneurship: attitude, activity, and aspiration. In order for a nation to successfully foster entrepreneurship, it must endorse a supportive entrepreneurial attitude, encourage entrepreneurial activity, and promote hopeful entrepreneurial aspirations. (“2008 Executive Report,” p. 9) Figure 1 illustrates the relevant factors that I examine in addressing each of these three conditions.

Entrepreneurial Attitude in Turkey

Before any opportunity is pursued, the entrepreneur-to-be takes a moment to assess its value. It is during this moment that the first framework condition of entrepreneurship, entrepreneurial attitude, becomes relevant.

Educational and cultural influences play major roles in shaping this entrepreneurial attitude.

Educational Influence

Highly effective entrepreneurship education and training must begin early. According to the GEM “2008 Executive Report,” the quality of entrepreneurship education and training³ outside of the formal education system was consistently higher than entrepreneurship education and training during formal schooling in the countries included in the report. However, in efficiency-driven economies the quality of entrepreneurship education and training outside of formal schooling was reported to be on average 60 percent higher than the quality of entrepreneurship education and training during formal schooling. (“2008 Executive Report,” p. 43) Alternatively, in innovation-driven economies exhibiting more complex, higher quality entrepreneurship, the quality of entrepreneurship training during school was assessed by experts to be just 25 percent lower than training outside school. (“2008 Executive Report,” p. 46) This comparison is evidence that in order to elicit the development of promising entrepreneurial skills, the quality of entrepreneurship training during formal schooling must be both high and on a par with entrepreneurship training outside of formal schooling. Turkey in

³The quality and availability of entrepreneurship education and training were assessed on a scale from one to five by entrepreneurship experts that reported their findings to the Global Entrepreneurship Monitor.

particular reported quality levels of entrepreneurship education and training that were 10 percent and 20 percent below the efficiency-driven economy average for training during school and outside of school respectively, indicating alarmingly low quality entrepreneurship education and training. Furthermore, GEM entrepreneurship experts reported that the availability of entrepreneurship education and training was 20 percent lower in Turkey than in nations with innovation-driven economies. ("2008 Executive Report," p. 46) These deficits may be reflective of the low level of government spending on education, which amounted to just 3.5 percent of Turkish GNP in 2008. (McKay et al.)

Beyond primary formal education and entrepreneurship training outside of school, the organization of the Turkish higher education system restricts students' program choices and selections of the integrated, cross-disciplinary educational opportunities that are critical for developing the broad knowledge required of entrepreneurs. Kadir Dogan and Tolga Yuret, professors of economics at Ankara University and Boston University respectively, describe the college entrance process in Turkey as follows:

A central authority designs and implements the college admissions process in Turkey. All applicants are required to take an SAT-like test and submit their preferences over the departments. Then, the central authority places the applicants in departments. This procedure generates a fair placement if there are no restrictions on stating preferences. However, the applicants are restricted to state preferences over at most 24 departments out of 4,022 available departments. (Dogan and Yuret)

In addition to this limitation on students' department choice, the fact that entrance to a university is entirely dependent on a single score on a technical exam called the Öğrenci Seçme Sınavı (Student Selection Exam), and independent of all other qualitative measures of a student's potential, is completely counterproductive in an individual's entrepreneurial development. The vast majority of entrepreneurial skills are strategic by nature rather than technical. The immense importance of the exam thus creates an environment in which second-

ary educational institutions frequently teach to the exams, adopting curricula devoid of all such strategic skills essential to entrepreneurship. Furthermore, an estimated 1.5 million students take the entrance exam each year, with an admission rate to universities of only 20 percent. (McKay et al.)

The availability and accessibility of development programs for individual businesses in the early stages of an entrepreneurial effort can also distinctly influence the entrepreneur's success. In Turkey there is a growing initiative to supply more and higher-quality forms of these programs. Held in high regard for its own entrepreneurial success, Koç Holdings is actively engaged in promoting and supporting youth entrepreneurial efforts in Turkey through the Vehbi Koç Foundation and its "Vocational Education: A Crucial Matter for the Nation" project. Among other activities, this project provides employee mentors from 21 Koç companies to share business knowledge with students, funds new departments at vocational high schools, and provides practical training opportunities at Koç companies. ("Vehbi Koç Foundation") Another organization highly active in supporting youth entrepreneurship is the Sabancı Group and its educational institution, Sabancı University, which is a strong advocate of interdisciplinary education. ("Sabancı University . . .") Yet another organization that is active in helping new Turkish entrepreneurs is the Technology Development Foundation of Turkey, which provides financial, risk-sharing, and advisory support to nascent entrepreneurial ventures. (Technology Development Foundation . . .) These organizations are only a few of the many providers of training and business development services in Turkey. This relatively high number of post-educational support programs may explain the significantly greater proportion of the population that has received development training for their prospective businesses outside of their formal education rather than during it, as shown in Table 1. However, it is important to note that the percentage of the Turkish population that received any such training at all is still substantially lower than in nations with factor-driven, efficiency-driven, and innovation-driven economies.

Table 1**Percentage of Population (18–64) That Received Business Development Training**

	During Formal Education	Outside of Formal Education	Any Training
Turkey	2.5	4.2	6.3
Factor-Driven Economies	13.3	14.9	22.2
Efficiency-Driven Economies	11.3	12.3	19.0
Innovation-Driven Economies	11.9	16.0	23.3

Source: “Global Competitiveness Report 2009–2010,” p. 43.

Cultural Influence

A cultural environment that supports entrepreneurship is critical in developing a successful entrepreneurial attitude. As recently as 2006 the Turkish population was found to be highly supportive of entrepreneurship, with 77 percent considering it a desirable career and 86 percent respecting and valuing it, according to surveys conducted by the Global Entrepreneurship Monitor. However, more recent GEM survey data seem to argue otherwise. In 2009 the GEM reported that the fear of failure in business and the pessimism about the availability of potential business opportunities were both on the rise. Furthermore, a high 4:1 ratio of males-to-females engaged in early-stage entrepreneurial activity was reported in 2008. (“2008 Executive Report,” p. 27) This gender disproportion of new entrepreneurs hints at a lack of support for females in business that may be a product of Turkish culture.

Entrepreneurial Activity in Turkey

As illustrated previously in Figure 1, the second framework condition of successful entrepreneurship is entrepreneurial activity. The entrepreneurial activity of new entrepreneurs is in turn influenced by three factors that affect the development and viability of their entrepreneurial efforts: economic, legal, and political factors.

Economic Factors

One of Turkey’s main competitive advantages in its push toward greater economic

growth is its market size. In addition to its domestic market, Turkey has neighboring markets in almost every direction. The nation is geographically positioned in close proximity to Europe, Asia, the Middle East, and Africa. Further bolstering its market base, Turkey also enjoys free trade with the European Union as a result of a customs union agreement that went into effect in 1996. (Gungor and Gezgüç) This combination of market size and accessibility bodes well for youth entrepreneurship because of the expansive opportunity set it creates.

In addition to the availability of markets, adequate funding is critical in order to capitalize on entrepreneurial opportunities. The availability of funding is often influenced by the macroeconomic stability of the nation. Turkey had received criticism regarding its instability after its banking sector crisis in 2001; however, more recently the economy is showing signs of stability. Prospects for financial support for individual entrepreneurs in Turkey are not as promising. The 2009–2010 WEF Global Competitiveness Report ranked Turkey 75th and 107th respectively for the ease of access to loans and venture capital availability among the 133 nations included in the study.⁴ With an overall financial market sophistication ranking of 80th, Turkey’s score fell below the averages for the European Union, OECD nations, innovation-driven nations, and even efficiency-driven nations. (“Global Competitiveness . . . ,” p. 310) Furthermore, access to financing was ranked

⁴The World Economic Forum’s annual Global Competitiveness Report examines the factors enabling national economies to achieve sustained economic growth and long-term prosperity. (“Global Competitiveness . . . ,” p. xi)

second, just behind tax regulation, on the World Economic Forum's list of the 15 most problematic issues for business development in Turkey in 2008. ("Global Competitiveness . . . ," p. 310) However, the near future looks more promising. In December 2009 the World Bank approved a second \$250 million loan to the Turkish government to supplement an original \$200 million loan that was approved a year earlier. Both loans were granted to increase access to finance for small and medium enterprises. According to the World Bank, "These loans will provide medium and long term working capital and investment finance to small and medium enterprises in Turkey." ("Turkey's Small and Medium Enterprises . . . ")

Pursuing an entrepreneurial venture in an environment with minimally-developed infrastructure can also harm the venture's development and viability. Efficient transportation, communication, and energy supply are critical for successful enterprise. Unfortunately, the present state of infrastructure in Turkey poses a significant threat to both youth entrepreneurship and national economic growth. For example, using 2008 data the WEF ranked Turkey 62nd overall in quality of infrastructure among the world's nations. Internet connectivity is low with only about one-third of the population using the internet; and port infrastructure and electricity supply are especially poor, with Turkey ranking 78th and 84th respectively. ("Global Competitiveness . . . ," p. 311)

Legal Factors

The legal procedures of starting a business can severely inhibit entrepreneurial development if these procedures are time-consuming and labor-intensive. In Turkey, six procedures are required to start a business, and they require

⁵Procedure 1: Execute and notarize articles of association, signature declaration of the managers, copies of each manager's identity card or passport, and commercial books. Procedure 2: Deposit a percentage of capital to the account of Competition Authority. Procedure 3: Deposit the initial capital in a bank and obtain the certificate of paid-in-capital. Procedure 4: File the incorporation notice form, commitment letter, and Chamber registration statement at the Trade Registry Office. Procedure 5: Have a notary certify the legal books. Procedure 6: Follow up with the tax office on Commercial Registry's notification. ("Doing Business 2010: Turkey," p. 52)

about six days to complete.⁵ ("Doing Business 2010: Comparing . . . ," p. 159) Although these procedures contribute to Turkey ranking 56th out of 183 countries with respect to starting a business,⁶ they are still less demanding than the global averages for the number of procedures and the time required to start a business.⁷ ("Doing Business 2010: Comparing . . . ," p. 11) This provides a slight advantage for developing youth entrepreneurship in Turkey because excessive time- and labor-demanding procedures are a deterrent to young aspiring entrepreneurs without the means or confidence to persist against administrative obstacles. ("Youth Entrepreneurship . . . ")

However, the "Doing Business 2010" report indicates that the Turkish legal framework makes it especially difficult to complete certain essential tasks of building an entrepreneur's business once started, such as securing construction permits. In Turkey, the process of securing a construction permit requires 25 separate procedures, from obtaining a lot plan to obtaining a telephone connection, all of which can take 188 days to complete. By comparison, averages from several "good practice" economies for the same process amount to only six required procedures and take only 25 days. ("Doing Business 2010: Turkey," p. 14)

Another issue to consider is the weak legal protection of intellectual property in Turkey. The 2009–2010 WEF "Global Competitiveness Report" showed that Turkey is well below average worldwide with respect to intellectual property protection, ranking just 105th out of the 133 nations included in the report. This weak legal protection has resulted in very few software patents in Turkey. (Artemel)

Furthermore, the low efficiency of the legal framework in settling disputes and challenging regulations along with the lack of

⁶Rankings are taken from the annual "Doing Business" report which investigates the regulations that enhance business activity and those that constrain it. ("Doing Business 2010: Comparing . . . ," p. v)

⁷The "Doing Business 2010" report indicated that the global averages for the number of procedures and number of days required to start a business were 8 procedures and 36 days. (p. 11)

⁸Transparency is measured by the ease of obtaining information about changes in government policies and regulations. ("Global Competitiveness . . . ," p. 356)

transparency⁸ of government policymaking have created concerns in Turkey. In 2006 the WEF reported that these issues were short-term priorities for reform and retained this assessment in the 2009–2010 update, citing them as primary issues to address for economic development. (Blanke and Mia, p. 10)

Political Factors

Several political factors also affect Turkey's entrepreneurial activity. In Turkey, the government has introduced incentives to boost innovation through research and development by providing subsidies to firms that increase their research and development spending from year to year. (Endeavor — Where We Are — Turkey) However, the optimal environment for entrepreneurship is one that not only is free of political barriers, but one that also includes policies that explicitly promote and support entrepreneurship through focused funding and educational programs. This support is especially necessary for youth entrepreneurship to thrive because of the start-up and development difficulties that may stem from the lack of confidence during young age. As Chigunta notes, "The tendency is to subsume youth into educational, health, culture and sports policies." (Chigunta, p. 16) In doing so, the government ignores the specific business needs of entrepreneurial youth, such as funding and access to business education. The government-funded Social Development Programme for Youth, part of the Sustainable Development Program in the impoverished GAP (South Eastern Anatolian) Region, is one program that addresses this concern. (Sustainable Development . . .) Among other things, this program identifies innovative income-generating activities and helps youth secure funding from financial institutions. ("Youth Social Development Programme") This program is one piece of evidence that Turkey is making strides not only toward promotional efforts aimed at helping fund and educate youth entrepreneurs, but also toward extending these efforts to more impoverished regions.

While policymaking in Turkey may be showing signs of improvement, the lack of efficiency and transparency of the legal system in Turkey mentioned earlier has resulted in a disap-

proving public opinion of politicians themselves. In its annual "Global Competitiveness Report," the WEF ranked Turkey 90th in the world with respect to the level of public trust in the ethical standards of its politicians. In such an environment, Turkey will have a hard time passing the reforms it needs to increase funding and educational support for Turkish entrepreneurs.

Besides the domestic political factors, the increasingly integrated global community is improving the flow of goods, services, and information between both geographically neighboring and distant economies. Therefore, Turkish entrepreneurial activity is subject to political pressures beyond those created by domestic forces. Fortunately for youth entrepreneurship in Turkey, pursuing accession to the European Union has created incentives for the government to focus attention on initiatives to support small and medium enterprises. (Endeavor — Where We Are — Turkey) However, the Turkish government is reluctant to commit to the long term austerity measures required by the IMF to secure its funding to support these initiatives. (Strauss) Furthermore, its lack of sophisticated financial products such as speculative derivatives may hinder Turkey's recovery and enterprise development without the IMF's aid. Barclays Capital economist Christian Kelleher, in favor of IMF funding, notes that "higher government debt issuance could crowd out private-sector lending as a recovery begins." (Kelleher, as quoted in Strauss) These private loans are a key source of funding for entrepreneurs.

Entrepreneurial Aspiration in Turkey

In addition to entrepreneurial attitude and activity, the third framework condition of successful entrepreneurship noted in Figure 1 is entrepreneurial aspiration. As defined by the Global Entrepreneurship Monitor, entrepreneurial aspiration is "the effort of the entrepreneur to engage in introducing new products or new production processes, to open foreign markets, and to plan to increase the number of employees substantially." ("2008 Executive Report," p. 38) These aspirations correspond to two main targets: innovation and company growth.

Innovation

An entrepreneur's aspiration for innovation is responsible for reviving industries with new concepts and is therefore critical for national economic growth. Turkish aspirations and expectations for innovation have been low in recent years. The 2008 GEM survey that assessed the level of innovation across national economies revealed that only 12 percent of Turkey's early-stage entrepreneurial activity had products or services that were new to some or all customers. This low level of innovation sets Turkey well below nations with innovation-driven economies. ("2008 Executive Report," p. 32) Additionally, while Turkey's population is above the global average in terms of the availability of scientists and engineers, the nation ranks only 67th in university-industry collaboration in R&D and 74th in the number of utility patents, with only 0.2 utility patents⁹ per million people granted in 2008. ("Global Competitiveness . . .," p. 311)

Company Growth

Unlike these low aspirations for innovation, Turkish entrepreneurs' aspirations and expectations for company growth are quite optimistic. In fact, Turkey reported a higher rate of high-growth expectation early-stage entrepreneurship¹⁰ than 21 of the innovation-driven economies in the 2008 GEM study, and was surpassed only by the United States and Iceland. Perhaps even more revealing is that out of the 37 nations with factor-driven, efficiency-driven, or innovation-driven economies that returned a sufficient number of responses in the 2008 GEM study, Turkey reported the highest percentage of early-stage entrepreneurs with expectations for high growth. This statistic is indicative of what the Global Entrepreneurship Monitor defines as an extremely "healthy" national entrepreneurial psyche. ("2008 Executive Report," p. 33)

⁹Utility patents are issued for the invention of a new and useful process, machine, manufacture, or composition of matter, or a new and useful improvement thereof as defined by the U.S. Patent and Trademark Office.

¹⁰High-growth expectation early-stage entrepreneurship is defined by the Global Entrepreneurship Monitor as an entrepreneur expecting to employ at least 20 people within five years of operation.

The dissonance shown by the absence of innovation but abundant expectations of growth is reflective of the low levels of support for early-stage entrepreneurship in an economy with high potential. While few entrepreneurs are supported enough to establish themselves, many of those entrepreneurs who are able to do so in less-than-ideal circumstances are confident that they will achieve continued success. This confidence is a strong indicator that, if more support for entrepreneurial attitude and activity is forthcoming on a national level, economic development through entrepreneurship is distinctly possible.

Plans for Advancement

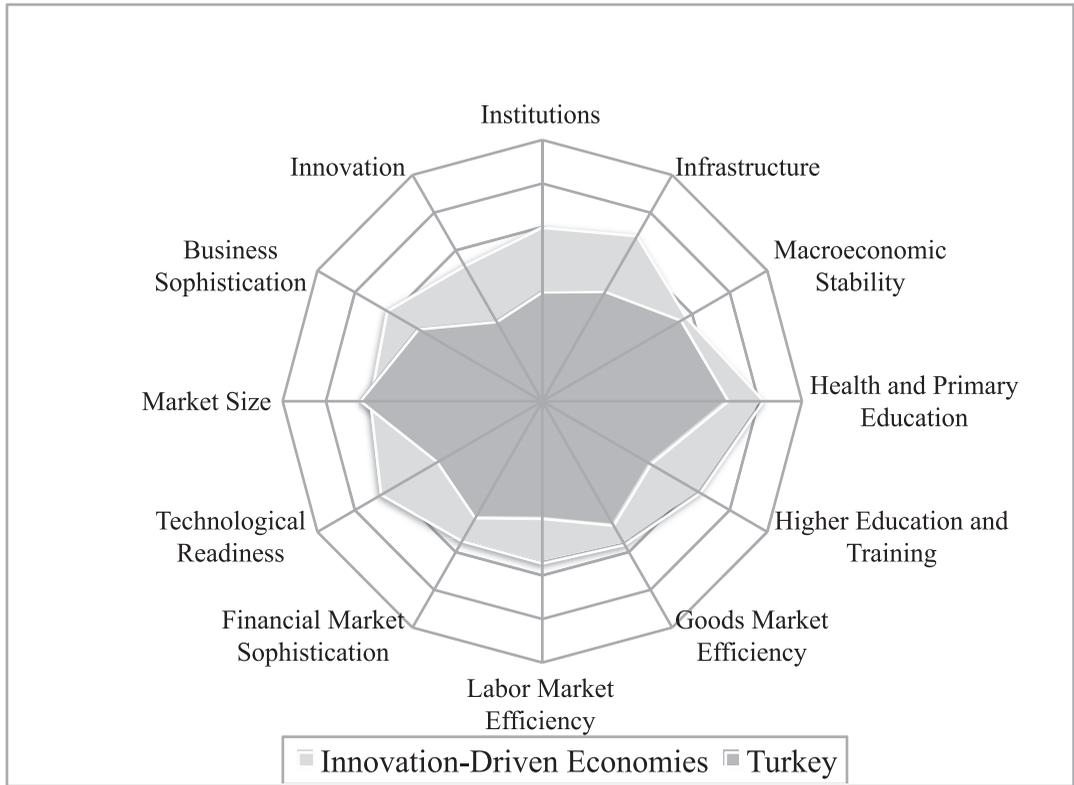
Figure 2 illustrates Turkey's current position with regard to the World Economic Forum's pillars of global competitiveness and economic development,¹¹ shown on the 12 axes. Turkey's position is also compared with the averages of innovation-driven economies to help illustrate what Turkey must focus on in order for its economy to reach this third stage of economic development through entrepreneurship. The level of development in each pillar is indicated by the distance from the origin along that pillar's axis, with greater distances representing greater development.

As shown in Figure 2, higher education and training along with health and primary education, two key areas of influence on entrepreneurial attitude, represent two major gaps in Turkey's economic strength. Therefore, to help develop its entrepreneurial attitude, Turkey should first focus on upgrading its primary education system through greater funding for teachers, technology, and educational programs. In turn, these upgrades will enhance the basic skills that support youth entrepreneurship. Next, the admissions process for higher education institutions should be reformed to acknowledge applicants' qualifications and interests and not just their Student Selection Exam scores. Furthermore, higher

¹¹The WEF's pillars of global competitiveness and economic development each focus on one of the 12 areas of a country's profile, shown on the axes of Figure 2, that the WEF declares make up the disaggregated analysis of a nation's competitiveness. ("Global Competitiveness . . .," p. 7)

Figure 2

Turkey vs. Innovation-Driven Economies in Terms of Competitiveness and Economic Development



Source: Author's figure based on research and statistics from "Global Competitiveness Report 2009–2010."

education administrators in Turkey must revise their programs to offer more interdisciplinary opportunities. Young entrepreneurs must have a broad range of technical and strategic skills, and the current structure of higher education, discussed earlier, serves only to narrow this set. Also, the spread of programs that promote attention to entrepreneurship at all levels of the educational system will help develop the entrepreneurial attitude in Turkey. ("2008 Executive Report") With these changes, Turkey can better foster effective youth entrepreneurship education. Finally, the introduction of more public and private initiatives that help create awareness of entrepreneurial opportunity, such as the Vehbi Koç Foundation, will serve to dissipate both the fear of failure in Turkey and the gender-based disparity discussed earlier.

Turkey's economy must also change, starting by addressing its remaining problems in the basic economic requirements for entrepreneurship. Among the shortcomings illustrated in Figure 2, the most pertinent to Turkey's growth is further development of its infrastructure. In doing so, Turkey should give special attention to its ports and electrical supply as these elements are critical for the viability of enterprises. Continued improvement of macroeconomic stability and developing Turkish financial markets to better provide grants, loans, and credit for young entrepreneurs will also aid the environment for youth entrepreneurship.

With regard to the legal system, changes in the Turkish legal structure to make it easier to start up and operate a business are needed to heal the inefficiencies in both the goods and labor markets, as illustrated in Figure 2.

These changes include improving the ease of obtaining construction permits as discussed earlier. Furthermore, the reform and enforcement of intellectual property rights legislation in order to promote new enterprise creation remain critical. The technological sector is sure to become even more fruitful for young entrepreneurship in Turkey, and this sector is particularly affected by intellectual property rights. (“2008 Executive Report,” p. 33)

As evident by the confident expectations for company growth in Turkey discussed earlier, encouraging entrepreneurial aspiration for such growth is not a primary concern. However, with regard to its aspirations for innovation as shown in Figure 2, Turkey has room for improvement. The aspirations for innovation must be encouraged by greater public and private funding and promotion directed towards youth entrepreneurial research and development. These efforts will help young entrepreneurs in Turkey develop new products and open new markets.

Conclusion

Turkey has significant potential for economic growth by way of youth entrepreneurship. Through the changes prescribed above that will better enable Turkey to use the advantages it already has, this nation may witness new levels of economic prosperity. As Albert Einstein proclaimed, “Out of clutter, find simplicity. From discord, find harmony. In the middle of difficulty, lies opportunity.” (Einstein, as quoted in Friedman, p. 441) In the developing state of the Turkish economy, youth entrepreneurship is this opportunity, and for national economic growth it must be pursued. Perhaps the most defining advantage of youth as entrepreneurs is what they lack: societal conditioning. After many years of exposure to society, older people come to accept what they cannot discover, what they cannot do, and what they cannot achieve. Alternatively, young entrepreneurs see what they can discover, can do, and can achieve. It is in the dreams, audacity, imagination, and energy of youth where Turkey’s and the rest of the world’s new horizons of prosperity lie.

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