

Meeting Report
“Enterprise Development and Finance Project with the Istanbul Stock Exchange”
OECD Centre for Private Sector Development
Istanbul, Turkey, 4 June 2003

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Background:

OECD and the Istanbul Stock Exchange are conducting a project which will lead to a model environment for Enterprise Development and Finance in Turkey (and other emerging markets) with a focus on easier access to financing. These results will then be shared with Turkish authorities to lobby for an improved environment for SMEs. Furthermore, it is intended to share the outcome with member countries of the Federation of Eurasian Stock Exchanges (FEAS).

The Meeting:

Leading representatives of universities, financial institutions, stock exchanges and government authorities from Turkey met in the OECD Centre in Istanbul on 4th June 2003 to assess the report prepared in conjunction with the same project and based on inputs of previous years' work and meetings, by an international expert on support of innovative companies and to compare international practices to the current situation in Turkey.

The participants were divided into three groups,

- Technology/Infrastructure
- Regulatory Framework
- Economy/Finance

Each group has been asked to provide a short paper on their findings on how the current Turkish practices compare to advanced OECD countries. The three groups then met to discuss issues related to innovation and entrepreneurial culture and education. So far, initial findings have been used to construct a matrix for Edu/Culture and Technology/Infrastructure and are briefly summarised below. The findings of the other two groups will be made available once provided.

Education/Culture:

Generally, it was agreed that the entrepreneurship and innovation culture in Turkey has not been highly developed and that the current educational system in Turkey is not necessarily conducive to create a better image of entrepreneurs. Especially, it was suggested that entrepreneurship courses and degree programmes at Turkish universities should be introduced or strongly expanded. However, it was also agreed that universities should be more pro-active to involve the private sector in their programmes. In conclusion, it was stressed that innovative enterprises face numerous difficulties in the existing education and cultural environment.

Technology/Infrastructure:

SMEs in the high-growth technology sector should receive incentives from government authorities in areas such as R&D, land acquisition, communications systems, etc. It seemed that current incentives are focusing too much on capacity increase than rather on quality improvement. It was also emphasised that cost efficient transportation facilities for SMEs such as rail and waterways are not sufficiently developed.