



# Turkey

## KEY OUTCOMES

TEA rate: **8.59%**

Nascent rate: **3.73%**

New business owner-manager rate: **5.08%**

Established business ownership rate: **10.73%**

Female entrepreneurial activity rates vs. male entrepreneurial activity rate: **3.67% vs. 13.45%**

Motivations to involvement in entrepreneurial activity: **30.26%** of early-stage entrepreneurs are motivated by opportunity to increase income, **20.78%** opportunity to increase independence, **6.2%** mixed motives, **4.75%** necessity driven

Growth aspirations: **27.16%** of early-stage entrepreneurs have high growth expectations (10+ employees and 50% growth in the next 5 years)

## **MAIN CHARACTERISTICS OF ENTREPRENEURIAL ACTIVITY**

During 2010, 3.73 % of the adult population in Turkey was nascent entrepreneurs and 5.08% new business owners. The TEA was 8.59%, slightly higher than the average of 6% recorded for 2006 – 2008. The established business ownership rate (owned and managed a business older than 42 months) was 10.73% indicating that the survival of early-stage businesses in Turkey is much higher than the year of 2008 (5.46%).

In terms of motivation, almost 1.43 times as many respondents cited opportunity (4.58%) as opposed to necessity (3.19%) as their reason for starting a business. The male entrepreneurial activity rates (13.45%) are 3.6 times higher than that for females (3.67%). Although there is a slight increase in the number of women active as early-stage entrepreneurs in 2010, Turkey has the 4<sup>th</sup> highest male/female ratio among the GEM participating countries. Growth aspirations of early-stage entrepreneurial business (more than 10 employees and more than 50% expected growth in the next 5 years) are 27% which remains stable compared with 2008. Turkey still has a high growth aspiration among GEM countries (ranked 4<sup>th</sup> in the list of GEM countries).

## **ENTREPRENEURIAL ACTIVITY & THE ECONOMIC CRISIS**

The GEM outcomes for 2010 are, on the whole in line with the findings for previous years – indicating that entrepreneurial activity in Turkey is increasing slightly. This year's results confirm the tendency observed in previous years regarding an increase in necessity based entrepreneurs (from 1.79% in 2006 to 1.98% in 2007, to 2.3% in 2008, to 3.19% in 2010), which also explains part of the increase in the total

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early-stage entrepreneurship. Two-thirds of early stage entrepreneurs claimed that the starting a business is more difficult compared to a year ago, whilst 45% felt it was more difficult to grow a business compared to a year ago. However, the majority of start-up or existing businesses still see more opportunities for their business.

All perception variables, shown to be important in an individual's decision to become an entrepreneur, are more positive for men than for women: more than 68% of men and only 40% of women believe that they have skills, experience and knowledge needed for entrepreneurship; almost 41% of men and 31% of women believe in good business opportunities in the next 6 months; 28% of men and 37% of women stated that fear of failure would prevent them from starting a business and 68% of men and 40% of women know a person who started a business in the past two years.

## **GEM IN ACTION**

The GEM Turkey 2010 results can be used to by the government to introduce programs aimed at targeting two key areas identified by the 2010 APS survey: first, to develop the quality of new ventures to facilitate a higher impact on economic development and second, to promote female entrepreneurship. It will be interesting to see how the GEM Turkey 2010 data will be received and implemented.

