

IMPACT HUB ISTANBUL



IMPACT-DRIVEN ENTREPRENEURSHIP

We define impact-driven entrepreneurship as the entrepreneurial activity that seeks to achieve impact on triple bottom line: economic, social and environmental prosperity.

The Issue

Please summarize the change you want to make by also touching upon the questions below. (i.e. you can summarize by giving facts etc.) Why is your story important? Why is the social problem you focus or the change you want to make is important?

In a city like Istanbul populated with 15 million people at an average age of 29, coupled with many social hardships such as high rate of youth unemployment, massive urbanization and immigration, the role of impact-driven entrepreneurship is crucial.

We believe that ***“Impact cannot happen in isolation; it requires collective action!”***

Impact happens when a diversity of people come together to learn from each other and join forces. In order for impact-driven entrepreneurship to grow, support mechanisms are needed to bring purpose-driven individuals together and let them thrive.

However, currently there is lack of platform in Istanbul that brings together existing change makers around a shared space, intent and values. Activities of (social) entrepreneurs and CSOs are rather disconnected from each other. Change makers often feel isolated. On the other hand, general entrepreneurship ecosystem is more developed and organised in terms of support & resources but lacks participatory mechanisms. Very few platforms so far in the broader ecosystem has managed to create a learning community, that systematically pushes its members forward for greater impact.

Impact Hub Istanbul will play a crucial role in filling this gap and solving this problem. It will provide an epicenter for a learning and growing community of changemakers and will give them an opportunity to be a part of a bigger, global vision.

Background

What is the reason of existence of your institution / venture that is supporting the topic at hand? What were the circumstances that brought about your idea / venture?

There are two main reasons that makes it the right time for an Impact Hub in Istanbul. First is the rapidly developing entrepreneurship and social entrepreneurship ecosystems. Compared to a decade ago, there is now a much more positive and supportive environment for entrepreneurs who wish to transform their business ideas into reality. Increasing income levels, growing middle class segment (three-fourths of population), young population, geographical position and improved infrastructure & public services are the major factors that make Turkey a dynamic market for business and entrepreneurship locally, regionally and globally. Considering that there were no accelerators / incubators just 8 years ago, support systems for new ventures have also developed rapidly** Regulatory framework has also developed with public and governmental incentives (e.g. funding, support programs) increasingly being introduced to encourage entrepreneurship.

Second, although there is seemingly abundant support and resource allocation, innovation performance of Turkey is really low, and there is increasing number of social and environmental problems (see below some global sustainable development indicators for country comparison)

Thus, we see an optimal mix of opportunities and challenges that makes the role of impact-driven entrepreneurship particularly important for the economic, social and environmental development of Turkey.

What kind of work is being done in Turkey in this field? Among these, what do you see as lacking or wrong?

Today, Turkey is booming with an entrepreneurial spirit, with SMEs accounting for more than 99% of all businesses and 78% of employment. Istanbul has been the key driver of the fundamental economic change that Turkey has gone through over the past 10 years.

However, like many developing countries, Turkey is regarded as an efficiency-driven economy. Real estate industry, cheaper labor and capital accumulation have been the major drivers of Turkey's growth. Turkish economy reached a point that makes it much harder to improve economic and social prosperity without improving our innovation capacity. Therefore, the biggest challenge of Turkey in the next years will be to move from resource-driven growth that is dependent on cheap labor and capital to growth based on high productivity and innovation.

As mentioned above, public and private incentives and support mechanisms for entrepreneurship are rapidly growing. But these initiatives have not yet yielded the desired outcome with regards to innovation, job creation, economic and social development.

Particularities of Istanbul

Istanbul is undergoing a tremendous transformation, with rapid urbanization and gentrification. Its population is expected to increase by 16.3% until 2023 and an increasingly high rate of youth unemployment. Urbanization in the form of gentrification of inner city slums, investments in high rise residential condos, business centers and construction of malls (currently 93 malls and 22 under construction) are creating significant social, economic, and environmental shifts in Istanbul that could not be resolved with a trickle-down approach.

The above transformation was the key cause of the June 2013 protests, sparked by young, responsible citizens, seeking to protect a historic park from being turned into a shopping mall. It was a sign of activism and display of demand increasing for quality urban spaces and more sustainable urban planning.

In order to address socioeconomic challenges and mobilize the latent potential of the youth, we believe, a more socially and environmentally responsible, impact-minded entrepreneurship, that is;

- supported from the bottom-up rather than top-down;
- open and participatory, involving multi-disciplinary collaboration;
- focused primarily on the value generated for people and planet **is needed**.

Goals

What is the contribution that you are making / aiming to make to the issue and the solution of this problem?

As Turkey and particularly Istanbul are becoming a hub for entrepreneurship in the region, and social entrepreneurship is also taking off, Impact Hub Istanbul takes a pioneer role. It provides a trusted ecosystem where changemakers, and innovators feel inspired to co-work and co-create under the same roof. By pulling disconnected change makers together, it will activate the latent potential for a collaborative entrepreneurship. It will also serve as a connection point between global know-how and local community, supporting local change makers in accessing international business models, role models, trends and latest innovations.

What are the target group(s) you are focusing on?

Simple Definition of our Community: Impact-Driven Individuals

Impact-driven individuals (and entrepreneurs) is a broad segment that encompasses purpose-driven professionals including, but not limited to, activists, social impact experts, designers, journalists, students, academicians, urban planners, developers, freelancers etc.

Currently in Turkey, the size of social entrepreneurship industry is very small. Hence, emphasizing social entrepreneurship and social business support as our central

message would hinder our ability to empower a broader segment of impact-makers and our vision of creating a movement that will have a long-standing impact.

Furthermore, social entrepreneurs need to collaborate with people with diverse backgrounds and skills, in order to achieve desired impact. Therefore, focusing on existing social entrepreneurs is only be a part of our overall approach.

What kind of perception or attitude shift are you expecting at these group(s)? (could be direct or indirect) What is (are) your longer term goal(s)?

As demonstrated in various researches and examples, Turkey particularly suffers from a low-trust behavior in the entrepreneurship ecosystem, which hampers collaboration and innovation significantly. For a long time, entrepreneurship has been regarded as an individual, isolated activity by the majority of the society.

Thus, the most important change we seek is the shift in the mindset from an entrepreneurship represented by a distrustful competition to a more collaborative one. By introducing an open and collaborative way of entrepreneurship, Impact Hub Istanbul aims to uncover the creative potential for positive change both in Turkey and the region.

In the long run, we also aim to provide a role model for Middle Eastern region, which also particularly faces similar problems related to low-trust and lack of collaboration. The countries in the region (MENA, Balkans and Caucasus) share significant social and cultural similarities with Turkey. Considering these similarities, correct models in Istanbul could also accelerate social change in the entire region.

Public Coverage

How this issue has played out in the public? How do you evaluate public and media approach to the issue / problem?

News related with entrepreneurship receive significant attention in the media. According to a recent global report by Global Entrepreneurship Monitor, entrepreneurship is now seen as a prestigious work in Turkey and 73.95% of adult population believe entrepreneurs should be highly respected. This rate is even above the developed world average of 72.73%. Entrepreneurship is associated with leadership, social progress, job creation & financial rewards as opposed to the negative perception in the past decades. It is now seen as a serious alternative for the career plans of the youth. (additional info part*)

Social entrepreneurship has only recently (in the last 3-4 years) started to attract considerable attention in public, thanks to significant contributions of organisations such as Ashoka Turkey, achievements of social entrepreneurs and other local support organisations.

With the strength of the global brand and network, Impact Hub Istanbul will also act as a pioneer in solving the problem of visibility and recognition of the local (social) entrepreneurship ecosystem

Additional Info

Are there any facts or data that you think would be useful for the creative team to know? Specific Hooks, concepts to play with (i.e. suggestions for creative materials or creations)

***Istanbul has 49 universities, 5 techno-parks, 12 accelerators / incubators and 10 co-working spaces to date.**

****Potential entrepreneur (stating plans of entrepreneurial activity in the next 3 years) rate is above both developing country average (29.09%) as well as developed countries' average (14.27%) This comparison shows the strong entrepreneurial potential in the country.**

Global Entrepreneurship Monitor (2013) survey shows that every 32 out of 100 people are planning to engage in an entrepreneurial activity in the next 3 years. However only 1 out of 10 people take action to bring their business ideas to life.

18-24 year-old entrepreneur proportion in Turkey grew from 9% to 14.5% in the last year.

Entrepreneurs who have graduated from university has increased from 15% to 44% from 2006 to 2013

Sustainable Development Indicators

Female labor force participation rate: 31% - Lowest in the OECD

UN: Human Development Index (HDI): 69th / 186 countries

Yale Environmental Performance Index: 109/132 Adult Literacy Rate: 73/140

WEF Gender Inequality Gap Index: 120/136

High rate of youth unemployment: 21%

Innovation Performance Indicators

EU Commission - Innovation Union Scoreboard (2014): Turkey is 32nd in 34 countries

WEF - Global Competitiveness Report: Turkey is 45th in the world