Chapter 31
The Drivers of Entrepreneurial Universities in Emerging Economies:
A Turkish Case Study

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ABSTRACT

Several countries have introduced programs intended to develop or increase their competitiveness. Entrepreneurial universities in particular are considered critical actors in order to reach this goal. While in advanced economies many of this type of universities have been established over the years, this is not the situation in emerging economies. These economies are only in the beginning of this development. Against this background and the activities found in Turkey, the aim of this chapter is to shed light on the current state of Turkish universities regarding their development into entrepreneurial universities. The findings reported may be useful for academics, policymakers, and other actors interested in the topic.

INTRODUCTION

Since innovation is regarded as one of the main sources of competitive advantage, companies and countries do their best to invest in innovation aiming at reinforcing their competitiveness. In order to pursue innovation successfully, many governments are urging companies by proposing new mechanisms to developing external linkages and by taking advantage of opportunities the companies developed from information outside their own firm boundaries. External partners that provide firms with new information could include organizations such as universities, public sector organizations, competitors, suppliers and customers in their own or in related industries.

DOI: 10.4018/978-1-4666-8348-8.ch031

Specifically small and medium-sized enterprises (SMEs) are said to benefit from these external linkages (Egbu, Hari, & Renukappa, 2005) because of their natural limitations. The impacts of innovation strategy and university collaboration on the performance of SMEs are currently the major concerns of technology and innovation policies in emerging economies. The underlying assumption is that a greater focus on university collaboration will contribute to the knowledge assets of SMEs, which will in turn make them more competitive in a global economy.

Generally, universities are an important source of knowledge and provide the basis for innovation in emerging industries (Feldman & Kelley, 2006). Innovation in this context refers to the creation and successful introduction of new products and processes in the market place. As such, university-industry link has emerged as a key component of the national innovation system. However, universities no longer confine themselves to their traditional roles in teaching and research, but are increasingly engaging in entrepreneurial and business activities known as 'third stream activities'. This phenomenon is attributed to the pressure exerted on the universities to commercialize their research findings to generate revenue to cover some of the operating costs including research costs. The success of many academics as entrepreneurs in various technology fields has also contributed to this trend. The direct involvement of universities with industry can be seen in activities such as research funding, training partnerships and technical services contracts. Apart from these, industry also sponsors research centers and researchers and offers sponsorship or endowment of chairs (Laursen & Salter, 2003; Siegel, Westhead, & Wright, 2003).

Over the last 20 years, universities have been acknowledged as one of the main sources of competitiveness; however, studies have suggested that only advanced economies benefited from the universities´ contributions (Mian, 2003). Thus, the universities in emerging economies are trying to follow the footsteps of universities in advanced countries such as the USA. This could mean a huge challenge for higher education institutions as regards funding, quality, and relevance (Mian, 2006).

Advanced countries have set up different mechanisms to benefit from both technical and human resources of universities as much as possible. Science Parks, incubation centers, contracted research and Technology Transfer Offices are some of those instruments that have been implemented to achieve and to develop value-added services and products. The outcomes are eventually expected to accelerate the growth of economies. However, despite the numbers of highly-trained people, well-equipped laboratories, variety of company needs and demands, dynamic and enthusiastic students many technology development initiatives have not been successfully brought in the market because of the limitations in the innovation ecosystem and academic entrepreneurship (Schramm, 2004).

Innovation and entrepreneurial ecosystems in emerging economies can be still considered as immature and there are continuously many problems that need to be overcome. The first reason is that almost all universities in emerging economies are emphasizing teaching and therefore researchers do not have time and motivation for collaborations with industry and research projects that may put a new technology to the market. The second reason is that supporting organizations such as university-industry collaboration centers and tech transfer offices either do not exist or are newly established and therefore lack the experience necessary to help researchers. Additionally, researchers may not know how to benefit from these offices. Thirdly, rules and regulations intended to define the rights and responsibilities of researchers, like IPR policies of universities are not yet defined or if available these rules and regulations hamper the entire process. Finally, the industries in emerging economies focus on mass production, instead of developing and producing value-added or high tech products and therefore most are not