THE GREAT GAME BUSINESS CHALLENGE 2012
10 Oct 2012

Excellencies, ladies and gentlemen, let me begin by thanking you for the very warm reception you have given us in Turkey. In 1612, your predecessors welcomed the first Dutch envoy to your country, Cornelis Haga. And now we are celebrating four hundred years of diplomatic relations, trade and friendship.

Today Turkey and the Netherlands exchange all kinds of products, ideas and art. The Turkish furniture industry is a case in point. Good design starts with creativity. With an idea. And with the talent to put it into practice.

But a great stock of ideas, talent and creativity isn't enough to start a business. You need at least one other thing. Money.

You need money to buy good fabric. You need money to invest in machinery. In short: you need money to change ideas into business success.

This is where inclusive finance comes in. Let me ? as UN's Special Advocate for Inclusive Finance for Development ? give you a definition of financial inclusion. To me, it means universal access, at a reasonable cost, to a wide range of financial services, provided by a variety of sound and sustainable institutions. For both individuals and small and medium-sized enterprises - SMEs - that are often the engines of growth in local and national economies.

Today you, participants of the business challenge, walk in the shoes of entrepreneurs. Young entrepreneurs who need access to finance. Entrepreneurs who want to conquer markets with their ideas. I hope this business challenge will inspire you to become an entrepreneur yourself.

Turkey, the Netherlands and every other country need enterprises to create jobs and generate income. And we do need entrepreneurial skills and passion to find solutions to pressing challenges, from demographic shifts to climate change. In the Netherlands, SMEs employ 56 per cent of our labour force. And 90 per cent of our SMEs are very small, with fewer than ten employees. In Turkey, the figures are similar. Micro, small and medium-sized enterprises account for 8 out of every 10 jobs. One difference is that growth performance and productivity for Turkish SMEs are slower than for SMEs in similar countries. They also show slower growth than the larger enterprises in Turkey (1). So, an important question is how can we encourage more people to start their own businesses and, very important, help them to make them grow.

In my work, I have seen that access to finance is crucial. Not just short term loans. But also current accounts, affordable and convenient payments, insurance and pension schemes. Long-term finance could contribute significantly to SME performance in terms of employment, sales and investment.

Thus, I think it is very good that Turkish policy seeks to provide diverse support options. And to introduce innovations that will reduce barriers to finance.

Last February, I visited Ankara in my capacity as UN Special Advocate to discuss Turkey's efforts to advance financial inclusion. Turkey has done so much already. I am so pleased that within the G20 Turkey has committed to create a coordination platform and a national strategy for financial inclusion. Financial inclusion will definitely help Turkey strengthen innovation, employment and entrepreneurship.

As important is the attention given to the broader framework and enabling environment. This includes Turkey's on-going efforts to formalize informal businesses, for example, by reducing the involved administrative burden. Strengthening financial literacy will also help businesses thrive. And increase access to finance.

In the Netherlands, we have learned that providing business development services together with finance can
have a big impact. One new Dutch public-private partnership pairs loans with coaching and other support. They can help entrepreneurs prepare solid business plans. Speak the language of banks. Set priorities. Challenge the firm to move forward. As a result, 88% of enterprises it has lent to are still in business after two years. In contrast, only 56% of most start-ups survive after three years without this kind of support.

That we can say in success. This twinning approach is really vital when it comes to women entrepreneurs. Women face particular obstacles. For instance, generally they take out fewer loans than men. And when they do, they borrow less. Women are more careful than men. But risk-taking is an integral part of entrepreneurship. One result is that women entrepreneurs make less profit because their businesses are both smaller and less capital-intensive. So women entrepreneurs need to be encouraged to take more, calculated risks - and this requires better access to financial services, more financial literacy and better business knowledge.

These issues are especially relevant to Turkey where, according to figures from KAGDER (2), women own only about 6% of enterprises. Targeted financial services can help encourage their success. For example, one credit guarantee fund applies 10% more for women-owned businesses. Associations for women entrepreneurs are also very important to provide connections, markets, knowledge, networks and solidarity. You know, managing professional and family roles can be daunting, especially during the intense start-up phases. Research tells us that this is a particular challenge in Turkey, where women do not traditionally work. On the other hand, Turkey has some remarkable women business leaders. So women entrepreneurs, with some creativity and focus, you can build on this and close this gender gap.

So my message to entrepreneurs young and old is: finance is important. But becoming a successful entrepreneur requires much more. Financial education, coaching and mentoring can play an important role at all education levels. That's why this kind of global week is so useful. Everyone benefits by being open about what works and what does not. For example by discussing ways to help more women start and grow their own business. With the Business Challenge, youth learn practical skills and approaches get encouragement and experience a culture of entrepreneurship. Who knows? Maybe in a few years, we will all be sitting in eco-friendly chairs that came from a socially responsible business designed this week.

I hope this Global Entrepreneurship Week inspires young persons all over the world to start their own business. I hope that this week will inspire you. And I hope that we may enjoy many more wonderful exchanges in the future. Between Turkey and the Netherlands. Between Turkish and Dutch goods and services. And between entrepreneurs worldwide.

Thank you.

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(2) Women Entrepreneurs Association Of Turkey