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The Importance of the Cooperation of Regional Development Agencies with Universities Founded in the Provinces in Terms of Entrepreneurship and Innovation Projects

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Abstract

Turkey is a country with low productivity among the countries in the world. The reason for low productivity particularly results from the differences in the interregional development levels. It is of great importance to provide cooperation between development agencies and universities in order to enhance productivity and regional development in our country. The purpose of this study is to investigate the ways to increase productivity in our country by examining the relationships between development agencies, universities and entrepreneurs countrywide.

Keywords: Regional Development, Development Agencies, Entrepreneurship and Innovation

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1. Introduction

Turkey is a country with low productivity among the countries in the world. When regionally considered, it is seen that the regions in the east have relatively lower machine and labor productivity than the regions in the west.

Productivity can be explained by considering the characteristics the enterprises have in terms of their site of establishment and the level we technologically have. Of course, we can say that our country is dependent upon the developed countries in terms of the capacity of research and development and innovation. The reason for the dependency is that technologies are sold to the developing countries by the developed ones by means of licensing. This situation causes our country and regions to have low

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competitive advantage in terms of global competition. Our country can only get into foreign markets thanks to having low labor, raw material, and material costs. Labor costs and having qualified labor force can change according to the level of education. Our labor force in the eastern regions is in lower levels in terms of education level when compared to our western regions. This situation unfortunately has negative effects on regional productivity, makes the adaptation of labor force to new techniques and technological levels difficult and therefore, prevents the enhancement of productivity level.

Another problem of our country is that industrial and agricultural production areas our regions have are not known much in terms of comparative advantages. No product innovations can be made by benefiting from these advantages. The reason for this is that no necessary aids and guidance are provided for small producers to enable them to see what they can do either in domestic markets or in the world markets.

Not enough opportunities are provided for small entrepreneurs to introduce their products in the national and international arena through digital facilities and incorporate, and enhance their product technologies and quality. Now, it is not necessary to be a big enterprise to sell goods in the world markets. Internet has completely changed especially classical marketing functions of enterprises. Our valuable experts who work for regional development agencies should play a role not only in the establishment and growth of companies having regional production advantages and superiorities but also in their getting into national and international markets. They should have essential knowledge and experience and the responsibilities to fulfill the required duties.

The effect of education level cannot be denied in the development and improvement of the region and revival of business life. In the development of a region, the rate of literacy of people and their being university graduates increase both qualified manpower and the quality of life in the region.

Universities established in the region have very important functions. As a matter of fact, the role of universities cannot be denied in raising well-qualified manpower in the amount required and taking the people of the region to a high level culturally. Percentage of development in the rural areas being low when compared to those in the urban areas shows the great share universities have in terms of the development of the region. Universities should provide contributions to the development in the region they are located by producing technical and technological solutions and help to provide interregional cooperation as a means of the region providing connection with the outside world.

As a matter of fact, it is very clear in many examples of regional development that universities established in Vallenciennes, Katowice and Karabük region in our country create very important job areas and revive those regions [2], [8],[11].

However, we would like to emphasize that regional development agencies must continue their works in coordination with the universities established in the provinces.

2. Literature Review And Hypotheses

As Porter also stated in his book titled *Competitive Advantages of Nations* (1990), Italian enterprises that have hand skills of local craftsmen and creative and innovative characteristics of small enterprises always keep their competitive advantage alive and have the ability to minimize their costs.

The cooperation between development agency experts and academicians at universities is required in order to provide training for small enterprises or family enterprises, teach administrative and marketing techniques and bring these companies to a locally superior position. It is by means of this cooperation to

give innovation, creativity and quality prominence particularly by following low cost strategies or diversification strategies.

Especially increasing the number of women entrepreneurs in small family type enterprises helps the enterprises to be long lasting and exhibit a resistant attitude against difficulties. Domestic domination of women, their taking care of and leading family members and making them work, their skills to motivate family members free of charge are of utmost importance. Thanks to the superior aspects of women entrepreneurship, everyone in the family, no matter young or old, contributes to production and sales, finds new customers and strengthens external relationships as much as they can.

When privatization works are considered in the regions, several strategies such as the state's withdrawal from economic life, privatization of public investments in these institutions, in other words, exchanging owners can be mentioned. One of those is the alternative of selling or transferring available facilities to the employees. Continuing local production under more rational conditions and eliminating political considerations in economic institutions both enable these institutions to gain competitive advantage and help to achieve regional development. Especially in case of transferring enterprises to the employees, there are several models in practice regarding how management efficiency will be provided. Rather than using "auto-management model" applied by Former Yugoslavia before it was parted, the approach of selling majority of shares to the customers, suppliers and local entrepreneurs as in Karabük is another alternative.

With the support of regional development agencies and central state budget, the old production facilities and technologies of the privatized companies should be renewed and their productivity should be enhanced. By this means, costs will be reduced; companies will be able to compete on a national and international level.

Similarly, conducting cost reduction analyses, particularly value analyses, in order to reduce the input costs of both the companies that are the subject of privatization and the private companies of the region, can guide companies in finding more rational techniques and methods for the development of new production methods. Today, the most important way to provide competitive advantage is to have low cost strategy in production under any settings and circumstances.

Another function of development agencies is the proper orientation of investments. Development agencies are important means between public and private sector in the realization of development by preventing unbalanced distribution of industrialization.

3. Analyses and Results

In this paper, we, in general, tried to explain why the productivity of our country was low when compared to the other developed countries and in particular, why the interregional production and operational efficiency was lower in our eastern regions when compared to those in the western part. Culturally the inadequacy of educational institutions and particularly universities in terms of quality and quantity and their being newly founded are seen to be the main reason for unproductivity. Additionally, the issues such as lack of transportation facilities and infrastructure, unavailability of geographical conditions, lack of security and cultural and educational facilities that will be provided for the families of the foreign personnel who will work for foreign investors, lack of market conditions (closeness to the market) for the new companies and present companies are considered as the factors increasing regional differences. Over the last ten years central government has taken very important steps to solve a great part of these problems.

4. Conclusion

The cooperation between development agencies and universities in order to eliminate regional differences is of great importance. Educational moves resulting in social and cultural development, supporting entrepreneurship, providing cooperation with the newly founded universities in order to pave the way for family enterprises and women entrepreneurs will enhance productivity in the regions. Along with this, paving the way for incubation centers and technoparks, opening national and international marketing web pages of the entrepreneurs of small enterprises with the internet channel, their effort to offer low cost product innovations that will make difference together will play a great role in reducing regional differences.

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