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Social Entrepreneurship, Empowerment and Cohesion Project (SEEEO)

A Guide to Support Policy Development for Public Organizations: Social Economy and Social Entrepreneurship in Türkiye and the World

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About SEECO

The Social Entrepreneurship, Empowerment and Cohesion (SEEEO) Project is financed by the European Union FRIT II Financial Assistance Fund and coordinated by the Ministry of Industry and Technology and the World Bank.

The SEEEO Project's objective is to improve livelihood opportunities for women and youth in host and guest communities living in target areas in Türkiye. The project will support social entrepreneurship and local institutions that provide services to local communities, contributing to women's and youth's participation in economic activities.



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Abbreviations

AB	European Union
R&D	Research and Development
ESEM	European Social Enterprise Monitor
EYDK	Impact Investment Advisory Board
GDP	Gross Domestic Product
ILO	International Labour Organization
ISTKA	Istanbul Development Agency
KOSGEB	Small and Medium Enterprises Development Organisation
OECD	Organization for Economic Co-operation and Development
SIA	Social Innovation Agency
SKA	Sustainable Development Goals
SOGEF	Social Development Support Programme
NGO	Civil Society Organization
TUBITAK	Scientific and Technological Research Council of Türkiye
VC	Venture Capital / Venture Capital



Purpose and Context of the Report

This report aims to provide basic information and examples on Social Economy & Social Entrepreneurship by SEECO, what is being done to support Social Entrepreneurship in Türkiye, examples of Social Entrepreneurship and the opinions of experts from the field on what can be developed and supported.

Methodology

The report is based on a literature review, interviews with experts in the sector and analyses of data from field research. Assessments with social entrepreneurs, ecosystem support institutions and public organizations in Türkiye were also considered during the research process. However, this research is not a comprehensive review but rather an assessment of the situation in social economy and social entrepreneurship based on the available data and interviews. Therefore, the report's findings reflect general trends rather than representing the entire ecosystem.



Executive Summary

The report has been prepared as a high-level overview of Türkiye's social economy and social entrepreneurship ecosystem to assess the current situation in this field, identify the main challenges faced and develop recommendations to overcome these challenges. Social economy refers to various economic and social activities that promote social benefits and sustainable development. Accordingly, the report provides a framework for understanding how social enterprises are positioned in Türkiye, the needs and potential of the ecosystem. In particular, structural problems social enterprises face, gaps in legal definitions, difficulties in accessing financing and investment, awareness and capacity building are analyzed in detail.

The report aims to provide policy recommendations to support players in the social entrepreneurship ecosystem while also contributing to taking the necessary steps for a more robust development of the social economy in Türkiye. Considering international examples and good practice models in other countries, recommendations have been developed to create an environment where social enterprises can operate more sustainably and effectively in Türkiye. In this context, the report proposes strategic approaches to increase cooperation between the public-private sector and civil society organizations and the legal and structural changes needed to make the social economy more visible and strengthen the social entrepreneurship ecosystem.

Main Findings

- **Lack of Legal Framework:** The social entrepreneurship ecosystem in Türkiye¹ is challenged by the need for a specific legal status and definition for social enterprises. This lack of legal status makes it difficult for social enterprises to gain official recognition and visibility and limits access to appropriate legal and financial incentives.
- **Difficulties in Access to Finance:** Since social enterprises are not recognized as status, their access to financing and investment opportunities is limited. Research on access to finance in different structures is also limited due to the need for more status. The lack of appropriate financial instruments and low investor interest limit the growth potential of social enterprises. Most social enterprises operate on self-financing or personal funds, threatening their sustainability.
- **Lack of Awareness and Understanding:** The concepts of social economy and social entrepreneurship need to be sufficiently recognized and understood in Türkiye. Knowledge of the subject is an essential barrier to the growth and acceptance of the social entrepreneurship ecosystem in society.

¹ Note: In Türkiye, social entrepreneurship is considered within the scope of social economy. This includes cooperatives, economic enterprises of associations, foundations and associations & foundations, social benefit-oriented companies and social enterprises.



- **Fragmentation of Support Structures:** The structures supporting the social entrepreneurship ecosystem (incubators, accelerators and other support organizations) are fragmented and dispersed; they need to be more cohesive. Lack of coordination limits the sharing of information and resources among stakeholders and negatively affects the development of social enterprises.
- **Training and Capacity Building Needs:** The need for social entrepreneurship-focused courses in education and capacity-building programs leads to a lack of qualified workforce in this field. Training programs are needed to ensure the sustainable growth of social enterprises.
- **Lack of Data and Need for Research:** Comprehensive data collection and research on the social economy in Türkiye are needed. This situation prevents the number and impact of social enterprises from being fully determined, making it difficult for policymakers to make the right decisions.
- **Insufficient Private Sector Engagement:** The private sector's lack of active engagement with the social economy restricts social enterprises' access to funding and resources, leading to missed opportunities for potential cooperation.

This report aims to guide policymakers, public and private sector representatives and civil society organizations and promote development in the field of social economy.



Chapter 1: Social Economy and Social Entrepreneurship in Türkiye and the World

What is Social Economy?

Historical Framework

According to research, the concept of social economy has a history of about 200 years in Western European countries' social, political and economic history. This concept first emerged in Europe in the 19th century and continued its development until the second half of the 20th century. The definition of the current concept of social economy started in France in the 1970s.

Global interest in this area has been increasing with the widespread acceptance of a fairer and more equitable economic system required by sustainable development. EU public institutions particularly recognize it for its supporting role in achieving the goals of the United Nations (UN) 2030 Agenda and the 17 Sustainable Development Goals.²

The social economy in Türkiye is rooted in the foundation tradition of our geography, especially from the 14th century to the present day. However, the history of foundations in Anatolia dates back to the 10th century; Türkiye is a country that inherited this strong foundation tradition.³

Historical Milestones of Social Economy in Western Europe⁴ :

- In France in the 1970s, co-operatives, mutual societies and associations set up the National Liaison Committee for Mutual, Co-operative and Association Activities
- Charter for Social Economy, published in 1980
- Recognition of the rise of the social economy and its acceptance in political and legal circles
- Adoption of social economy laws in countries such as Belgium (2008)⁵, Spain (2011), Greece (2016), Portugal (2013), France (2014) and Romania (2015)
- Between 1989 and 1995, the European Commission promoted the European Conferences on Social Economy.
- In 1997, the Council of Europe recognized the role of the social economy in local development and job creation

² [Social Economy Europe, Social Economy, A Global Movement](#)

³ [European Commission, Social Enterprises and their Ecosystems in Europe, Country Brief Türkiye, 2019](#)

⁴ [Recent Developments of Social Economy in the European Union - European Economic and Social Committee](#)

⁵ [EU Social Economy Parade, Belgium](#)

- Inauguration of the Intergroup on Social Economy in the European Parliament from 1990 onwards
- In 2017, the European Commission was asked to implement an Action Plan for the social economy
- Announcement of the Social Economy Action Plan in 2021
- 2021 - Start of the implementation process of the 2030 Social Economy Action Plan⁶

Since 2016, the concept of social economy has been increasingly recognized and accepted worldwide. In the European Union, these new concepts have started to be legally recognized and accepted by member states at both national and regional levels. These terms, widely formalized over the last decade, demonstrate the growing importance of the social economy and contribute to creating a practical framework to support policymaking in this area.

Prominent Definitions of Social Economy Today

Different institutions and organizations define the concept of social economy in various ways. All these definitions emphasize the core values of the social economy, such as solidarity, social goals and democratic governance principles. Some definitions used by international organizations are as follows :⁷

- **OECD Definition:** The social economy is also known as the solidarity economy and/or the social and solidarity economy. It comprises associations, cooperatives, mutual aid organizations, foundations and social enterprises. Its activities are motivated by social objectives, solidarity values and principles of democratic governance.⁸
- **European Commission Definition:** The social economy encompasses organizations where people and social/environmental goals are prioritized over profit, where profits are reinvested for the common good and based on principles of democratic governance. These organizations include cooperatives, mutual aid societies, associations and foundations. Social enterprises are also included.⁹
- **European Foundation (EuroFound) Definition:** The social economy encompasses all business activities with a strong social mission that aims to be economically sustainable. These activities include co-operatives, mutual aid societies, non-profit associations, foundations and

⁶ [European Commission, "Building an Economy that Works for People: An Action Plan for the Social Economy", Pg:1](#)

⁷ These definitions have been translated from the original English by the author team for this report. It is not an official Turkish translation.

⁸ [OECD, Recommendation on the Social and Solidarity Economy and Social Innovation](#)

⁹ [European Commission, 'Building an Economy that Works for People: An Action Plan for the Social Economy', Pg:5](#)



social enterprises. Its purpose is to provide goods and services to society and to realize goals of general interest.¹⁰

- **ILO (International Labour Organization) Definition:** The Social and Solidarity Economy includes enterprises, organizations and other entities engaged in economic, social and environmental activities that are based on the principles of voluntary cooperation and mutual assistance, democratic and/or participatory governance, autonomy and independence and that serve the collective and/or general interest. These structures prioritize people and social goals over capital, ensuring that social purpose is prioritized in distributing and using budget surpluses, surpluses and/or profits and assets. To achieve long-term sustainability and facilitate the transition to a formal economy, these entities operate across all sectors of the economy. In their functioning, they apply values such as care for people and the planet, equity and justice, interdependence, self-management, transparency and accountability. The Social and Solidarity Economy includes, according to national conditions, co-operatives, associations, mutual aid societies, foundations, social enterprises, self-help groups and similar entities.¹¹

Social Economy Data from around the world

Sub-Saharan Africa: By 2020, social enterprises in Sub-Saharan Africa are estimated to create between 28 and 41 million jobs.

Latin America and the Caribbean: In Ecuador, the social economy accounts for 25.7 per cent of the country's Gross Domestic Product (GDP).

Europe: In Western Europe, the social economy employs around 9-10 per cent of the working population.

Source: [World Economic Forum, Unlocking the Social Economy: Towards an Inclusive and Resilient Society Report, May 2022, Pp:14.15](#)

Social economy stakeholders unite to create more inclusive and sustainable economic opportunities. These goals include pioneering social and environmental innovation, empowering local communities, contributing to the green economy¹², democratizing digital transformation, building resilience to crises and encouraging the private sector to engage in more inclusive business practices. These shared goals enable and enhance social economy stakeholders to have a positive impact on societies and the environment around the world.¹³

¹⁰ [European Foundation for the Improvement of Living and Working Conditions - European Industrial Relations Dictionary](#)

¹¹ [ILO \(International Labour Organization\), June 2022](#)

¹² [Official Journal of the European Union, Green Economy Definition](#)

¹³ [World Economic Forum, Unlocking the Social Economy: Towards an Inclusive and Resilient Society Report, May 2022, Pg:12](#)



Definition in Türkiye

The concepts of social economy and social entrepreneurship are still developing in Türkiye compared to the rest of the world. In Türkiye, social enterprises, associations, foundations and co-operatives are among the structures that can be considered within the scope of social economy.¹⁴ However, more than simply having the status of an association or foundation, it is required to be recognized as a social enterprise or to contribute to the social economy.

Work is being carried out in different sectors and focal points. However, the social economy as a whole or as an ecosystem needs to be sufficiently included in the agenda; social enterprises, associations and foundations are generally considered separate groups. The role of the private sector in the social economy is minimal.

Due to the lack of a defined social benefit-oriented company status in Türkiye, it is difficult to access this field's size and current data and the social economy's status and scale are unclear. At this point, it is observed that different stakeholders are coming together in line with their positioning and objectives around various and related issues such as sustainable development goals, circular economy and social economy.¹⁵

This report has been prepared to support the aims of the SEECO project. It is, therefore, written from the perspective of the social economy in general and social enterprises in particular. Since there is no official definition of social entrepreneurship in Türkiye, it is considered to cover a range of different legal entities. In this context, initiatives that offer a service or product to provide social or environmental benefits and have the potential to scale, regardless of the form of legal entity, are included in the focus area.

What is Social Entrepreneurship?

Social entrepreneurship is the process of producing solutions to social problems, establishing organizations, transforming and improving issues by using the entrepreneurial activities of individuals or different institutional structures.

These structures can be in various legal entities such as associations, foundations, co-operatives, and companies. They can operate in many forms, both for-profit and non-profit, and their main focus is to provide innovative solutions to social and environmental problems.

¹⁴ Associations and foundations also establish economic enterprises for their commercial activities. However, since economic enterprises are not independent of associations or foundations, they are not mentioned separately in this report.

¹⁵ [British Council, State of Social Enterprises in Türkiye Report 2019, Pg:22](#)



Although definitions of social enterprise vary worldwide, they all share commonalities. According to the Social Enterprise World Forum, there are five common characteristics of such structures :¹⁶

1. They exist to solve social and/or environmental problems.
2. They prioritize purpose over profit in their operational and strategic decisions.
3. They obtain some of their income through trade.
4. They reinvest a large part of the surplus in their cause.
5. They choose legal structures and financing models that protect their objectives in the long term.

Some Definitions of Social Entrepreneurship Today:

- According to **the World Economic Forum**, social entrepreneurship is using new approaches to solve structural social problems and is a growing movement globally. This generation of pioneering social entrepreneurs transcends the "is it a business or a charity" dilemma, experimenting with different business models, developing new methods of distribution and replication, and accepting accountability for results.¹⁷
- **The OECD** defines social enterprises as those that operate in the public interest, aim to achieve specific economic and social objectives rather than profit maximization, and can offer innovative solutions to the problems of social exclusion and unemployment.¹⁸
- **The European Commission** defines a social enterprise as a social economy operator whose main objective is to generate social impact rather than profit for its owners or shareholders. These enterprises offer goods and services in the market in an entrepreneurial and innovative way and use their profits primarily to achieve social objectives. Their management is conducted openly and responsibly, involving particular employees, consumers and stakeholders affected by business activities.¹⁹

Definition in Türkiye

Although the concept of social enterprise is relatively new in Türkiye, its roots date back to the 10th century, and it has continued from the 14th century to the early 20th century. In addition, the Ahi organizations established in the 12th century were early examples of the social economy concept as structures that promoted cooperation among artisans and social benefit.²⁰

Despite the growing interest, Türkiye's mechanisms to develop an effective social enterprise ecosystem are limited, and the legal framework still needs to be clearly defined. One effect of a lack

¹⁶ [World Economic Forum & Bertelsmann Foundation State of Social Entrepreneurship: 2013-2023 Global Data Review Analysis Report, April 2024, Pg:27](#)

¹⁷ [World Economic Forum, Business World Statement: What is a Social Entrepreneur?](#)

¹⁸ [OECD Definition of Social Entrepreneurship and Social Enterprises](#)

¹⁹ [European Commission Definition of Social Entrepreneurship and Social Enterprises](#)

²⁰ [European Commission, Social Enterprises and their Ecosystems in Europe, Country Brief Türkiye, 2019](#)



of a legal framework is the need for partnerships to define social enterprise. Questions such as how profit-oriented social enterprises can and should be, how they should be shared if there is profit, and how much impact they should have are yet to be accepted by both the ecosystem and the public.

SEEEO's Definition - What is social entrepreneurship?



Social entrepreneurship aims to solve social problems by developing a service, product or model. Social enterprises can generate income and profit to realise their social objectives; however, unlike commercial enterprises, dividends are not distributed. They use their profits as reinvestment to realise their goals. Social enterprises are not based on competition, but on lasting social impact, sustainability and solidarity.

One consequence of the lack of a legal framework is the lack of an inclusive database on social enterprises.²¹ The lack of legal regulations makes it difficult for social enterprises to be recognized by public and private sectors with an official structure and to establish incentives and systems in this field.

Contribution of Social Economy to the United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a far-reaching agenda that aims to address global challenges by 2030. The social economy offers products or services to solve fundamental social and/or environmental problems. It contributes positively to the SDGs by interacting with beneficiaries, adapting to the situation and needs with its observations from the field, and having scalable solutions for product providers.

When the alignment of social enterprises with these goals is assessed, it is observed that they focus on six main goals in particular: SDG 8 "Decent Work and Economic Growth", SDG 3 "Healthy Living and Prosperity", SDG 10 "Reducing Inequalities", SDG 11 "Sustainable Cities and Communities", SDG 12 "Responsible Consumption and Production" and SDG 4 "Inclusive and Quality Education". These goals reflect the main areas in which social enterprises operate.²² The social enterprises 'Toyi, Good4Trust, Hera Digital, Harcy, BlindLook' in Section 3 of the report include the structure & business model of the enterprise, its impact area and the SDGs they contribute to. What is happening in the field of social economy worldwide and in Türkiye?

²¹ [British Council, State of Social Enterprises in Türkiye Report 2019, Pg:28](#)

²² [World Economic Forum & Bertelsmann Foundation State of Social Entrepreneurship: 2013-2023 Global Data Review Analysis Report, April 2024, Pf:12](#)



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mana

An Example of Private Sector Contribution to Development Goals from Turkey

Mana Sustainable Production and Upcycling Studies

Mana is a social enterprise that provides sustainable garment production and upcycling services for textile manufacturing companies. Some of the brands she works with include Atölye Ren, Giyi World, Ferah, BEO Atelier, BondWear, Malina Maven and Think White. All of the designs, intermediation and production coordination processes are carried out by Mana and all of the production is carried out in women's co-operatives across Turkey, with surplus waste/excess materials, upcycling of finished products in the warehouses of the brands that cannot be sold for various reasons or certified materials are used. In addition, they produce upcycled accessories from materials that are leftover from cutting and production.

Mana works with brands such as SuCo, Pera Museum, Ayma Active and Huner the Brand in upcycling product development and production processes; collects the waste of these brands, develops upcycling designs and productises them together with women's cooperatives.

Some of the co-operatives that Mana cooperates with:

- Sınırlı Sorumlu Rimmen Kadın Girişimi Üretim ve İşletme Kooperatifi
- Sınırlı Sorumlu Bika Birleşmiş Kadın Girişimi Üretim ve İşletme Kooperatifi
- Sınırlı Sorumlu Mersin Kadın Girişimi Üretim ve İşletme Kooperatifi
- Sınırlı Sorumlu Ankara Zeytindalı Kadın Çevre Kültür ve İşletme Kooperatifi

Through its sustainable production and upcycling activities, Mana contributes to several Sustainable Development Goals, including SDG 5 'Gender Equality', SDG 8 'Decent Work and Economic Growth', SDG 12 'Responsible Consumption and Production', SDG 13 'Climate Action' and SDG 17 'Partnerships for the Goals'.

Mana - thisismana.com

Worldwide Situation

Many developed and developing countries worldwide have formally defined concepts related to the social economy, including Brazil, Bulgaria, France, Greece, Mexico, Poland, Portugal, Slovenia, Mexico, Poland, Portugal, Slovenia and Spain. Fact sheets on the social economy situation in all countries covered by the study are available here.²³ However, the lack of global recognition of the social and solidarity economy under a common umbrella makes statistical measurements difficult, and differences in the understanding and dissemination of information in this area hinder the development of internationally comparable data.²⁴

²³ [OECD, Insights from Social and Solidarity Economy Data: An International Perspective](#)

²⁴ [OECD, Insights from Social and Solidarity Economy Data: An International Perspective, Pg:10](#)

Framework laws on the Social Economy, Specific laws on Social Economy Organisations Strategies and Action Plans

The report 'Legal Frameworks for the Social Economy and Solidarity Economy' of 2022, prepared within the Global Action in Support of the Social and Solidarity Economy Ecosystem in the OECD²⁵ the 'Framework laws on the Social Economy, Specific laws on Social Economy Organisations and Strategies and Action Plans' of different European Union member and non-member countries. This table can be found at the end of the report under Annex 1.

This study found that countries often have older basic laws on social economy organizations, such as the 'law on cooperatives, foundations and associations', and more recent new regulations, such as the 'law on social enterprises, the law on registered social enterprises, the law on social and solidarity economy enterprises, the law on social economy and social enterprises'.

Of the 33 countries on the list, 'France, Spain, Italy, Luxembourg, Portugal, Romania, Greece, Romania, Greece, Mexico' also have special framework laws for the Social Economy in general.²⁶

According to estimated and statistical data, there are approximately 10 million social enterprises worldwide, representing about 3% of global enterprises. Among the leading countries in terms of the number of social enterprises, India leads with approximately 2 million, China with 1.75 million and the USA with 1.3 million social enterprises.²⁷ In addition, according to surveys conducted in 81 countries, social enterprises create approximately 200 million jobs worldwide and on average, each social enterprise employs 18 people.²⁸

The total annual turnover of social enterprises is known in 41 countries, and if this trend were to spread, their global turnover is expected to be around \$2 trillion. This number is equivalent to about 2% of global GDP, larger than the clothing industry and almost twice the size of the advertising industry. 75% of social enterprises seek external financing at 75% of their annual revenue, with total global financing needs estimated at approximately \$1.125 trillion.²⁹

²⁵ [Legal frameworks for the social and solidarity economy. OECD, 2022. Pp:55](#)

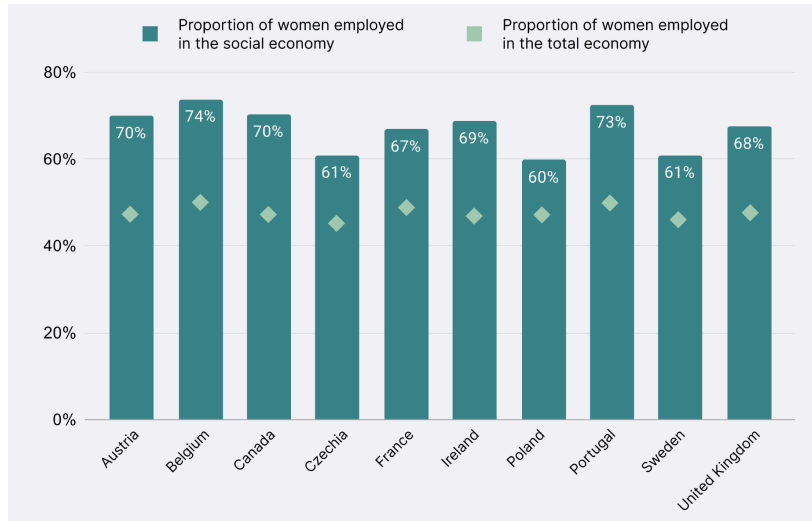
²⁶ Countries have different approaches to legal status; there may be a separate company structure, special laws or limited structuring. This issue is not detailed in this report as it covers multi-layered and technical information.

²⁷ [World Economic Forum & Bertelsmann Foundation State of Social Entrepreneurship: 2013-2023 Global Data Review Analysis Report, April 2024, Pf:8](#)

²⁸ [World Economic Forum & Bertelsmann Foundation The State of Social Entrepreneurship: 2013-2023 Global Data Review Analysis Report, April 2024, Pg:10](#)

²⁹ [World Economic Forum & Bertelsmann Foundation The State of Social Entrepreneurship: 2013-2023 Global Data Review Analysis Report, April 2024, Pp:8,10](#)

Table 1 - Comparison for Women's Share in Social Economy Employment vs. Total Employment



Source: [OECD, Insights from Social and Solidarity Economy Data: An International Perspective, Pg:19](#)

In addition, according to statistical visualizations published according to OECD data, women's leadership in the social and solidarity economy is prominent and their share in total employment is 10-20% higher compared to traditional businesses.³⁰ These data emphasize the economic and social impact of social entrepreneurship and the increasing prevalence and importance of social entrepreneurship on a global scale.

“The world is at a key turning point in our history. Over the last one hundred years we have made incredible scientific and economic progress, however this has come at a real cost to our planet and ecosystems. And despite real gains, inequality is rising again with the Sustainable Development Goals significantly off track.

Alternatives do exist, and we have had several decades of organizational innovation to more intently drive social and environmental purpose in businesses and bring inclusive and sustainable solutions to many of the intractable challenges of our time. With all these developments, social entrepreneurship is emerging as one of the biggest movements of our time.”

Dr. François Bonnici
Director, Schwab Foundation for Social Entrepreneurship
Head of Social Innovation, World Economic Forum

Source: [World Economic Forum Social Innovation Leader, Dr François Bonnici, British Council, Global State of Social Enterprises, June 2022](#)

³⁰ [OECD, Insights from Social and Solidarity Economy Data: An International Perspective, Pg:19](#)



Situation in Türkiye

As mentioned in the 'Definitions of Social Economy and Social Entrepreneurship in Türkiye' sections, the social economy in Türkiye still needs to be recognized as a holistic approach. Social economy actors include intersecting and diverging ecosystems between social enterprises, cooperatives, associations and foundations. In this context, the report details support mechanisms and case studies for social enterprises in Türkiye. Social enterprises can be legal entities in the form of economic enterprises or company structures of co-operatives, associations and foundations and have a critical role in developing the social economy.

One of the biggest needs observed for social entrepreneurship in Türkiye is to increase awareness and clarify the legal framework in this field. The results of the survey conducted by the European Social Enterprise Monitor (ESEM) in 2022 reveal that the general public's lack of understanding of social entrepreneurship and the lack of a supportive financial framework are the most common problems hindering the development of social enterprises in Türkiye.³¹

The lack of legislation defining social enterprises and insufficient data on the field make it challenging to calculate the number and impact of social enterprises. These shortcomings constitute a significant obstacle in the field of social economy despite the country's high potential. Although the 11th Development Plan does not include the concept of "social economy", it is stated that regulations on social entrepreneurship will be made, the capacity to measure social impact will be increased and support amounts will be gradually increased in proportion to the contribution of good practices to society.³²

In 2019, the British Council published the State of Social Enterprises in Türkiye report based on empirical and limited methods to determine the number of social enterprises in Türkiye. This research is the first attempt to calculate the number of social enterprises in Türkiye, and according to its results, approximately 9,000 organizations in Türkiye meet the definition of a functional social enterprise.³³

According to research data in this area, most social enterprises in Türkiye are concentrated in large cities, particularly in Istanbul (45%), Ankara (13.2%) and Izmir (10.9%). However, social enterprises are spread across the country, operating in 23 different provinces. 62.02% of social enterprises operate at the national, 47.2% at the local and 24.81% at the regional level.³⁴

³¹ [ESEM, European Social Enterprise Monitor, Survey Results for Türkiye 6.1](#)

³² [Is the Third Sector or Social Economy Sector Back?, Pg:8](#)

³³ [British Council, State of Social Enterprises in Türkiye Report 2019, Pg:29](#)

³⁴ [British Council, State of Social Enterprises in Türkiye Report 2019, Pg:55](#)



“ Social economy is not widespread is not unique to Turkey. Although this definition is a new concept as it is used today, the understanding of social economy, the forms of social organisation and the formal and informal partnerships & organisations that the concept refers to are very old in Turkey as well as in the world. While the structures, enterprises and organisations operating within the framework of social and solidarity economy have a considerable history and prevalence in Turkey, the definition, approach, legal framework, academic research and policies on social and solidarity economy are not yet at the desired level. ”

Orkun Doğan

**Özyeğin Üniversitesi Sustainability Platform Social and Solidarity Economies
Expert, Researcher Partner of Yerküre Local Studies Cooperative**

The sectors where social enterprises are most prevalent are Türkiye, manufacturing and agriculture, respectively.³⁵ 32.56 percent of social enterprises in Türkiye operate internationally. From a global perspective, Türkiye and the United Arab Emirates (UAE) have the highest proportion of social enterprises operating internationally, 32.6% in Türkiye and 27.8% in the UAE.³⁶ These figures indicate a high growth potential.

In the ESEM survey, social entrepreneurs in Türkiye prioritized certain SDGs within the scope of the UN's Global Goals for Sustainable Development: SDG 8: Decent Work and Economic Growth (45.04%), SDG 4: Quality Education (41.74%) and SDG 10: Reducing Inequalities (40.08%). Only 4.5 percent of social enterprises did not set any goals. SDG17: Partnerships for the Goals (42.56 percent) crosses all targets, indicating the high potential in this area.

Within the limited research on impact measurement, the 2015 KUSIF Social Impact Measurement Report found that only 21% of the 89 civil society organizations (CSOs) interviewed were able to conduct a social impact analysis of their projects and activities, while 25% were able to conduct a social impact analysis of their organizations. 36% of CSOs state that they perform a more in-depth social impact analysis than monitoring and evaluation. However, only 28% of CSOs stated that they measure their impact and allocate time and resources. These findings indicate that there is a need to increase awareness and competence in social impact measurement.³⁷

There are also different standards and methodologies for social impact measurement. For example, there are different approaches, such as SROI (Social Return on Investment) and SDG Impact (Sustainable Development Goals Impact). For this reason, it is important to select measurement methods appropriate to each social enterprise's stage and raise awareness accordingly. In addition, since 2013, KUSIF has been a member of SVI (Social Value International), an international social

³⁵ [ESEM, European Social Enterprise Monitor, Survey Results for Türkiye](#)

³⁶ [British Council, The Global State of Social Enterprises, June 2022, Pg:23](#)

³⁷ [KUSIF, Social Impact Measurement Report, 2015](#)



impact analysis organization working in the field of social impact, and has recently established its Turkish branch.³⁸

In Chapter 2 of this report, under the heading 'What is being done to support social entrepreneurship and economy in Türkiye', ecosystem support institutions/structures, social economy and supporting activities by the public, policies & strategies, and funding & grant programs are described. Section 4 includes 'Opinions from experts on what can be improved, supported and changed'.

Another publication prepared within the scope of the SEEEO project is '[An assessment report about the barriers and opportunities of impact investing for social entrepreneurship in Türkiye](#)'. The '[Impact Investing Ecosystem Mapping](#)' prepared in parallel to that report can be examined for detailed information on the subject.

Current Barriers and Opportunities for Unlocking the Full Potential of the Social Economy

Today, the potential of the social economy is still being developed and explored. While the worldwide challenges vary depending on the context, similar barriers are often encountered. These are usually centered on limited visibility, lack of supportive legal and regulatory frameworks, and inadequate standardization and validation of processes.

In many countries, more than legal support for the social economy is required, making it difficult for organizations in this field to benefit from entitlements such as financial support and tax exemptions. Access to impact-oriented financing sources is challenging for small-scale stakeholders.

However, innovative blended financing structures, combining the resources of public institutions and financing opportunities provided by the private sector, offer essential solutions in this area.

³⁸ [KUSIF Partnerships and Memberships](#)



European Investment Fund's EaSI Guarantee Instrument

The EaSI Guarantee Facility is managed by the European Investment Fund (EIF) and implemented by the European Commission on behalf of the European Union. The instrument is designed to provide support in the areas of social entrepreneurship and microfinance and aims to increase financing for micro-enterprises and social enterprises by providing guarantees and counter-guarantees to financial intermediaries. In particular, it supports groups with limited access to financial resources, enabling them to expand their economic activities. Building on the success of the European Progress Microfinance Facility launched in 2010, EaSI has so far assisted more than 55,000 micro-borrowers and mobilised more than EUR 520 million in financing.

Source: [European Investment Fund, EaSi Guarantee Instrument, 2019](#)

The example of the 'European Investment Fund's EaSI Guarantee' is a promising example of how access to financial resources can be strengthened.³⁹

Governments and private organizations can play a critical role in unlocking the full potential of the social economy by implementing inclusive procurement policies that prioritize social and environmental impact alongside economic considerations.

Part 2: What is being done to support social entrepreneurship and the economy in Türkiye?

Ecosystem Support Institutions/Structures

Social enterprises operating in different structures have various needs. Although there are cross-cutting areas of support, they only sometimes cover all social entrepreneurs. The lack of a common framework and policy for the social economy, especially in public support, leads to a fragmentation of support systems. Separate programs exist for cooperatives and associations, and opportunities for greater cohesion and shared synergies between these similarly focussed structures could be developed. The convergence of systems can contribute to increased positive impacts, learning and experience.

Prominent ecosystem support institutions include incubators, accelerators, academia, technopolis/technoparks, private sector and ecosystem support institutions.

³⁹ [World Economic Forum, Unlocking the Social Economy: Towards an Inclusive and Resilient Society Report, May 2022, Pp:25,26](#)



- **Technopark:** Areas that support the development of high-tech initiatives and encourage cooperation between universities and industry.
- **Ecosystem Support Institution:** Organizations that support the development of the entrepreneurship ecosystem with their innovative structures provide different resources for different needs and encourage collaborations.
- **Government:** Public institutions that support entrepreneurship and innovation through legal regulations, incentives and financial support provided by the state.

These organizations provide financing and undertake different mutually supporting roles such as training, mentoring, events, community building, capacity building and advocacy. For example, the role of structures such as Impact Hub and imece is wider than being incubators and accelerators, and such structures are considered in the category of 'ecosystem support institutions' with their unique and innovative models. They will be analyzed under the heading 'Ecosystem Support Institutions'. Detailed information on ecosystem stakeholders can be found in the '[Impact Investing Focused Ecosystem Mapping](#)' study prepared within the scope of the SEECO project.

Incubation

Incubators provide entrepreneurs with start-up support and resources to develop their business ideas and establish their businesses. Incubators can be set up by the public, private sector, foundations or civil society. Regular ongoing incubation resources for social economy actors are limited. Some programs in this area may be one-offs, while others may be ongoing. One of the incubators that stands out as an important example in this field is Impact Hub, which operates in more than 100 locations in more than 60 countries around the world and is also part of a global movement.⁴⁰ It supports the development of the ecosystem by bringing together pioneers of change working for social and environmental benefit, with workspace, events, training and different programs carried out in cooperation with the private sector and the public sector.

Accelerator

Accelerators are programs that help startups and projects that have reached a particular stage to overgrow and enter the market, offering mentoring and investment support. No accelerator in Türkiye focuses exclusively on social enterprises. However, some social enterprises with more scalable business and revenue models, called impact enterprises, are included in sustainability-focused programs in the entrepreneurship ecosystem. However, the number of social enterprises that can be included in such programs in the field of social economy could be much higher. One of the prominent examples in this field is Sabancı Arf, which operates under Sabancı Holding.

Sabancı Arf supports entrepreneurs to be successful in product or service development trials, to create a product or service prototype and to make their first customer connections with the budget it

⁴⁰ [Impact Hub](#)



provides in 20 weeks⁴¹ In addition, within the scope of the Social Entrepreneurship, Empowerment and Cohesion (SEECO) Project, which is implemented with the support of the European Union FRIT II Financial Assistance Fund and the coordination of the Ministry of Industry and Technology and the World Bank, there are also accelerator programs offering grant support and training opportunities in different provinces of Türkiye during the project.⁴²

Academy

Educational institutions provide knowledge and skills by conducting education and research activities on entrepreneurship and innovation and also make significant contributions through social economy research, projects and activities. Different university structures carry out various studies in the field of social economy. For example, Koç University Social Impact Forum (KUSIF)⁴³ was established as a social impact-focused research and practice center to promote social innovation through research, education and collaboration. At TED University, Station TEDU⁴⁴ serves as a multifunctional co-production space that brings together social good-oriented actors working to develop the social innovation and social entrepreneurship ecosystem. Bilgi Social Incubation Centre⁴⁵ at Bilgi University provides incubation and capacity-building support for social entrepreneurs. In addition, Ankara Social Sciences University Social Innovation Centre⁴⁶ supports the ecosystem by creating a common platform for interdisciplinary research, practice and policy development in social innovation.

Private Sector

The alternatives and potential for the private sector to engage with the social economy are considerable. Social economy actors can engage in various ways, such as supporting programs, running their programs, planning joint working processes with them, and procuring from social enterprises or cooperatives.

Prominent examples in this field include **imece**⁴⁷, established by Zorlu Holding in partnership with ATÖLYE and S360 as a social innovation platform. imece creates a common dialogue ground for institutions, individuals and companies that are part of the ecosystem through its programs and events. Kale Group provides resources and capacity-building support to entrepreneurs through the İbrahim Bodur Social Entrepreneurship Awards program⁴⁸ and Anadolu Efes Impact Hub **Social Impact Award**⁴⁹. In addition, in collaboration with Impact Hub, Abdi İbrahim's Social Innovation in

⁴¹ [Sabancı Holding, Sabancı Arf](#)

⁴² [SEECO, Social Entrepreneurship, Empowerment and Cohesion Project Grant Programme Announcement](#)

⁴³ [Koç University Social Impact Forum \(KUSIF\)](#)

⁴⁴ [Ted University, Station Tedü](#)

⁴⁵ [Bilgi University, Bilgi Social Incubation Centre](#)

⁴⁶ [Ankara Social Sciences University, Social Innovation Centre](#)

⁴⁷ [imece, about us](#)

⁴⁸ [İbrahim Bodur, Social Entrepreneurship Programme](#)

⁴⁹ [Anadolu Efes Impact Hub Social Impact Award](#)



Health Programme: Doz⁵⁰ runs a health program that supports early and advanced impact-oriented entrepreneurs developing innovative solutions in the health sector.

As an example of the interaction of different stakeholders to create a sphere of influence, **Hatay Surf Centre**⁵¹ is a non-profit organization that offers free surf training to young people under 16 living in Samandağ and Defne districts. In the summer of 2024, 1,000 young people aged 13-16 living in the region will receive basic free surf training and participate in a 3-stage training program. Among these young people, 20 selected individuals will be supported to become qualified surfing professionals as athletes or instructors. The Centre's stakeholders include Buradayız Hatay, Antakya Water Sports Club and STGM - Civil Society Development Centre, Mellow Türkiye, Support to Life Association and New Attempts Initiative Association, which are among the program partners. The Centre operates continuously and free of charge with the sponsorship of 11 private companies and three non-governmental organizations.

Ecosystem Support Organisation

Some structures are critical to the ecosystem's sustainability, success and continuity. They are not just incubators or accelerators but have also developed their unique models. These structures, beyond a single role in the ecosystem, contribute to the development of the ecosystem by providing different supports such as training, programs, grant support, collaborations, events and advocacy activities with their innovative approaches. For example, organizations such as Impact Hub Istanbul, Impact Hub Ankara, Ashoka, imece, Civil Society Development Centre (STGM) and Civic Space stand out in this field.

While Impact Hub Istanbul⁵² and Impact Hub Ankara⁵³ offer various collaboration programs, events and capacity-building support for the entrepreneurship ecosystem, Ashoka⁵⁴ supports social entrepreneurs by selecting fellows instead of running accelerator programs. Active in more than 93 countries, Ashoka selects social entrepreneurs with a system transformation approach and announces them as Ashoka Fellows every year. Ashoka Türkiye Fellowship Programme provides financial, pro bono and community support to selected social entrepreneurs to help them scale their impact. In addition, it works with associations, co-operatives, foundations and economic enterprises due to its non-profit status.

imece⁵⁵ supports the ecosystem with different programs by approaching social problems with "Notice, Participate, Produce Solutions". In addition, the Civil Society Development Centre (STGM)⁵⁶ stands out with its capacity-strengthening activities. STGM provides various supports for

⁵⁰ [Abdi İbrahim's Social Innovation in Health Programme: Doz](#)

⁵¹ [Hatay Surfing Centre](#)

⁵² [Impact Hub, Istanbul](#)

⁵³ [Impact Hub, Ankara](#)

⁵⁴ [Ashoka, Türkiye](#)

⁵⁵ [imece](#)

⁵⁶ [Civil Society Development Centre \(STGM\)](#)



needs ranging from training and legal support to strengthening civil networks and collaborations. Civic Space⁵⁷ serves as a communication platform for all stakeholders in civil society. It aims to be a user-friendly online platform that communicates developments in the civil sphere to those concerned quickly and up to date. These structures are among the essential support institutions of the ecosystem, and they have unique and different models.

Public

The public sector can take various roles and actions to support the ecosystem of the social economy. In a general framework, these roles and actions cover multiple areas, such as including the social economy in legal regulations, organizing incentives and support for social economy actors and their needs, creating support mechanisms for ecosystem support institutions and investors, and creating financial or non-financial support mechanisms for social economy actors. The following section analyzes the prominent public sector supporters in Türkiye in detail. It is of great importance for the sustainability and development of the ecosystem that the public sector fulfills these roles and supports the social economy.

Social Economy and Supporting Activities by the Public Sector

Social economy is an emerging field in Türkiye. Stakeholders involved in the social economy - social enterprises, cooperatives, associations, foundations, etc. - belong to separate ecosystems and groups with intersections. On the public side, since the ministries and departments to which these structures are affiliated are different, no single unit/ministry is authorized to focus on the social economy in Türkiye.

These structures and the ministries to which they are affiliated are listed below:

- **Cooperatives** General Directorate of Tradesmen, Craftsmen and Co-operatives under the Ministry of Trade
- **Associations:** General Directorate for Relations with Civil Society under the Ministry of Interior
- **Foundations** General Directorate of Foundations under the Ministry of Culture and Tourism
- **Companies:** Under the Ministry of Commerce

The General Directorate of Development Agencies under the Ministry of Industry and Technology is one structure that actively supports social economy stakeholders and provides various support.

Different institutions own and promote support in the field of social economy parallel to these distinctions in the structure. These supports address various needs and cover a variety of scopes.

Some prominent recent examples are as follows.

⁵⁷ [Civic Space](#)



- **Social Entrepreneurship, Empowerment and Cohesion Project (SEEEO):** It is financed with a budget of EUR 39.5 million under the European Union FRIT II Financial Assistance Fund and is implemented in coordination with the General Directorate of Development Agencies of the Ministry of Industry and Technology and the World Bank. The project aims to improve the livelihoods of women and youth from host and guest communities in Türkiye and support their participation in economic life. The project encourages women, youth and persons with disabilities to participate in economic activities by providing support such as micro-grants, mentoring and coaching to social entrepreneurship projects. It supports social cohesion activities by establishing social entrepreneurship centers and acceleration centers. It also works to strengthen the capacities of local institutions and organizations in the field of social entrepreneurship.⁵⁸
- **Development of Civil Society in Türkiye through Social Entrepreneurship Project:** The beneficiary of the "Enhancing Civil Society in Türkiye through Social Entrepreneurship Project" with a budget of approximately EUR 6 million, which is envisaged to be implemented by the European Union under the Instrument for Pre-Accession Assistance (IPA) and included in the Action Document for the IPA III 2022 programming year, is the Directorate for EU Affairs and the co-beneficiaries are the Ministry of Industry and Technology and the Ministry of Trade. The project consists of three components: the first component aims to increase the knowledge and skills of CSOs on social entrepreneurship, to encourage cooperation between social enterprises operating in the same field and to raise public awareness of social entrepreneurship; the second component aims to strengthen the institutional, administrative and regulatory framework for social entrepreneurship in Türkiye; and the third component seeks to improve the institutional capacity of CSOs and non-state actors on social entrepreneurship.
- **Social Development Support Programme (SOGEP):** This program, implemented by the General Directorate of Development Agencies of the Ministry of Industry and Technology, aims to eliminate social problems arising from poverty, migration and urbanization by mobilizing local dynamics and to enable disadvantaged segments of the society to participate more actively in economic and social life. The program, which aims to support social inclusion, social entrepreneurship and innovation, has determined "Women Entrepreneurship / Women Employment" as the theme for 2024 and will prioritize project ideas in line with this theme. The minimum budget for the projects to be supported within the program's scope is one million TL. It varies according to whether the institution is non-profit and non-profits are funded at a higher rate. The implementation period of the projects is a maximum of 18 months.
- **Social Development Support Programme (SOGEP) - Anatolians in Anatolia Programme:** This program, funded by the Ministry of Industry and Technology and implemented by different development agencies, aims to support local producers, keep traditional culture alive and discover local potential. This framework is aimed to make agricultural abundance, culinary culture and craftsmanship skills visible through stories, to

⁵⁸ [Social Entrepreneurship, Empowerment and Cohesion Project \(SEEEO\)](#)



reveal innovative entrepreneurship opportunities for entrepreneurs and cooperatives and to support local and regional development. It is open to public institutions and organizations, professional organizations, unions, cooperatives, non-governmental organizations, organized industrial zones, industrial estates, free zone operators, technology transfer office companies and management companies of organizations such as technology development zones, industrial zones and business development centers, as well as non-profit or public benefit companies to a certain extent. The project budget is a minimum of 1 million TL.⁵⁹

- **Ankara Development Agency - Social Economy Financial Support Programme Focusing on Sustainable Development Goals (2022):** Launched in 2022 by Ankara Development Agency with a total budget of 10 million TL, this program aims to produce solutions that are change-oriented with a social innovation perspective, increase social benefit and strive to create a more sustainable world. Social enterprises, public institutions and organizations, universities, vocational high schools and local administrations were supported by this program.⁶⁰
- **Ankara Development Agency - Regional Venture Capital Financial Support Programme for Impact Investment (2022):** Launched in 2022, this program aims to enable venture capital funds to invest in high value-added, technology-driven initiatives and SMEs with positive social and environmental impact, particularly in Ankara and provinces declared a state of emergency after the 2023 earthquake. It seeks to strengthen the impact-oriented entrepreneurship and innovation ecosystem by improving enterprises' access to finance.
- **ISTKA Regional Venture Capital Support Programme:** This program, established to provide technology and innovation-based companies and initiatives in Istanbul with easy access to financing, will transfer 400 million liras of resources to initiatives through selected funds. Priority will be given to projects with high-added value in the areas where the Regional Venture Capital Fund will invest. Initiatives with the potential to overgrow, export and create high employment are supported.⁶¹
- **KOSGEB and TÜBİTAK Support Programmes:** KOSGEB and TUBITAK regularly offer support programs for technology-oriented and for-profit enterprises. These programs are not directly targeted at social enterprises and social economy players. Nevertheless, their contributions support sustainable development goals.
 - **KOSGEB:** Within the scope of the Türkiye Green Industry Project, realized with the support of the World Bank, it provides reimbursable support for the green transformation activities of SMEs.⁶²
 - **TUBITAK** Within the scope of Phase 2 of the Global Clean Technologies Entrepreneurship Programme (GCIP) carried out in cooperation with U, it provides accelerator activities, capacity building and grant support in the categories of energy

⁵⁹ [Social Development Support Programme \(SOGEP\) - Anatolians in Anatolia Programme](#)

⁶⁰ [Ankara Development Agency - Social Economy Financial Support Programme Focusing on Sustainable Development Goals \(2022\)](#)

⁶¹ [ISTKA Regional Venture Capital Support Programme](#)

⁶² [KOSGEB and World Bank Türkiye Green Industry Project](#)



efficiency, renewable energy, waste beneficiation, water efficiency, environmentally friendly buildings, transportation and advanced materials and chemicals.⁶³

- **KOOP-DES Programme:** The KOOP-DES Programme, run by the Ministry of Trade, was launched to support investment projects of cooperatives that will contribute to production and employment, increase efficiency and productivity in their activities, and contribute to their use of technology and new production techniques. For 2024, 35 million TL was allocated to meet cooperatives' machinery equipment and fixture purchases. Priority in grant support was given to co-operatives whose members are mostly women, youth and disabled people. Cooperatives operating in the field of innovation were also prioritized.⁶⁴
- **Project Support to Associations 2024:** The Ministry of Interior General Directorate for Relations with Civil Society offers project support to associations. For 2024, the project topics to be supported include increasing the capacities of civil society organizations, public-NGO cooperation, human rights and democracy, supporting martyrs' relatives and veterans, combating drug and substance abuse, migration and cohesion, volunteering, social entrepreneurship, disaster and traffic awareness, women's rights, protection of family values, social solidarity and development, increasing employment, supporting disabled people and groups under social risk, education, culture, health, sports, protection of historical and cultural values, animal rights and safety of the environment and natural life.⁶⁵

Policies and Strategies

In Türkiye, social economy is a new field, social entrepreneurship is still developing, and awareness-raising is needed. The 12th Development Plan of the Presidency of the Republic of Türkiye Strategy and Budget Directorate,⁶⁶ (2024-2028), does not directly use the concepts of social economy, social entrepreneurship and association. However, the relevant sections include articles on co-operatives, civil society and entrepreneurship.

Below is a compilation of some of the items in the development plan that can be linked to the social economy and raise awareness, and there are additional items for civil society and co-operatives.

Items in the 2024 - 2028 Development Plan that can be associated with Social Economy

- 236. The COVID-19 pandemic and the disasters and economic fluctuations have once again demonstrated the importance of a strong, planned, coordinated and systematic civil society in increasing social resilience. The total number of employees in the civil society sector has

⁶³ [TUBITAK UNIDO Global Clean Technologies Entrepreneurship Programme \(GCIP\)](#)

⁶⁴ [Ministry of Trade, KOOP-DES Programme](#)

⁶⁵ [Ministry of Interior, Project Support to Associations 2024](#)

⁶⁶ [Presidency of the Republic of Türkiye, Presidency of Strategy and Budget Directorate, 12th Development Plan \(2024-2028\)](#)

reached 40 thousand and the total income has exceeded 40 billion TL. In the Plan period, activities to build a strong civil society, such as raising awareness on active citizenship, promoting volunteerism, ensuring the effective participation of CSOs in decision-making processes, increasing civil society-public-private sector cooperation and improving the social dialogue environment, and strengthening the institutional, human, financial and digital capacities of CSOs have come to the fore. Making more use of the dynamic and flexible structures of CSOs and their potential to respond to needs and problems at national and local levels remains important in terms of strengthening democratic participation and increasing efficiency and quality in public services.

- 380.8. "Impact investment" instruments such as social impact bonds and blue bonds will be developed and used widely to generate social, environmental, and economic benefits.
- 549.4. Alternative financing mechanisms for R&D, innovation and entrepreneurship activities will be established.
- 562.1. Alternative and innovative financing opportunities such as investment banking, corporate and individual venture capital, crowdfunding, impact investing and angel investing will be strengthened and their use will be expanded.
- 563.1. Training, counseling and information support will be provided to merchants and artisans on export processes, entrepreneurship, R&D and innovation and state aids within the chambers of tradespeople and artisans associations.
- 563.4. Financial support instruments for co-operatives will be developed, machinery and equipment purchases, employment of qualified personnel and fixture purchases of co-operatives will be supported.
- 563.5. Support will be provided to cooperatives operating in priority sectors, particularly agricultural sales cooperatives, women's cooperatives and social cooperatives
- 938.1. Capacity-building training for CSOs will be disseminated, particularly in strategic plan preparation, project preparation and fundraising.
- 938.6. Administrative and financial arrangements will be made to contribute to the institutional and economic sustainability of CSOs.
- 939.3. Studies will be conducted to measure the economic and social impact of CSOs' activities.

In addition, structures that can be characterized as impact funds have emerged in Türkiye as a result of public and private sector initiatives to strengthen the impact and entrepreneurship



ecosystem, which have the potential to support the social economy strategically. The Presidential Strategy and Budget Directorate of the Presidency of the Republic of Türkiye - Annual Programme of the Presidency of the Republic of Türkiye for the Year 2021⁶⁷ includes measures such as strengthening venture capital funds, providing resources to technology-based initiatives and establishing regional venture funds.

In this context, funds such as [the Türkiye Development Fund](#), [Regional Development Fund](#) and [Technology and Innovation Fund](#) were established. These funds support sectors essential to sustainable growth and stand out with their impact-oriented funding methods. As a good example of a fund of funds, the Ankara Development Agency also carries out activities similar to those of the Istanbul Development Agency. The fund of funds provides support to entrepreneurs by investing in funds.⁶⁸

“Development agencies recognize social economy as one of the key components of sustainable development. Social economy stands out with business models that combine social benefit and economic sustainability, and development agencies support the capacity of these models to respond to the social and economic needs of the local community. Acting with the awareness that the way to recovery is through working in solidarity, agencies offer various funding and support programs to establish and strengthen social enterprises to revive the regional economy, increase social solidarity and ensure the economic participation of disadvantaged groups. In addition, they try to accelerate regional development by creating training, consultancy and cooperation opportunities to increase the access of social economy actors to financing resources, improve their institutional capacities and enable them to open up to a wider market.”

Ahmet Şimşek
Republic of Turkey Ministry of Industry and Technology
General Director of Development Agencies

Funding and Grant Programs

In Türkiye, as in the world, social economy stakeholders are different regarding their legal entities, the solutions, products and services they offer, and the areas they focus on, nor are they different regarding their financing needs. These structures can be impact- and profit-orientated or exist only as associations or foundations. According to their different business and income models, the amount and structure of financing they need also varies.

⁶⁷ [Presidency of the Republic of Türk, Presidency of Strategy and Budget Directorate - 2021 Annual Programme of the Presidency of the Republic of Türkiye](#)

⁶⁸ [UNDP Impact Investing: Basic Concepts, Overview, Relationship with Ska, Implementation Tools, Measurement and Management Guide, September 2022, Pg:43](#)

Figure 1 - Social Economy actors on the spectrum between philanthropy and business



Source: [World Economic Forum, Unlocking the Social Economy: Towards an Inclusive and Resilient Society Report, May 2022, Pg:11](#)

The resources available for social economy players in Türkiye are as follows:

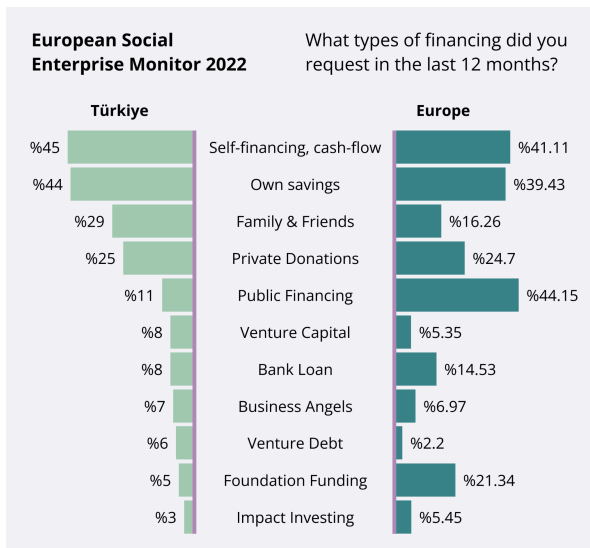
- **Public subsidies:** Financial aid and incentives provided by the government.
- **Grant:** Funds given on a non-repayable basis for specific projects or purposes.
- **Angel investment:** Capital provided by individual investors to early-stage ventures.
- **Venture capital:** Professional investment funds that invest in companies with high growth potential.
- **Bank loans:** Although they are available in theory, they are largely unavailable for social enterprises due to commercial risk, volatile cash flows, erratic revenue patterns, and lack of collateral.
- **Donation** There are individual and corporate donors for associations and foundations.

When we look at the financing options entrepreneurs prefer in Türkiye, venture capital (VC), angel investors and borrowing come to the fore. Venture capital and angel investors can receive a return on their investment when another investor buys their shares, when another company acquires the venture, or when the venture is offered to the public. However, such exit structures ("exits") are not a viable or preferred option for most social enterprises or social economy stakeholders. For these structural reasons, only growth-oriented technology ventures that create social good can access angel investment or venture capital.

In ecosystem research, it is observed that grants, donations, and project-based funding are the most common forms of financial support for social economy stakeholders.

However, research data reveals that financing opportunities for social enterprises in Türkiye are limited and further development and support are needed.

Table 2 - European Social Enterprise Monitor 2022 - Why types of financing did you request in the last 12 months?



Source: [ESEM Türkiye Country Report](#)

According to the Türkiye Social Entrepreneurship Ecosystem Situation Analysis⁶⁹ published by the Social Entrepreneurship Network of Türkiye, the online survey results show that social enterprises face serious financing problems. 87% of the respondents state that social enterprises do not have access to finance, while 76% state that they do not have access to information about the sources of finance they can apply for. Furthermore, 61% of respondents believe that no organizations support the financial development of social enterprises.

In addition, compared to social enterprises in Europe, social enterprises in Türkiye are 20% less likely to benefit from public sector grants, suggesting the need for better public financial support programs in Türkiye.⁷⁰

The observed situation in Türkiye is that entrepreneurs usually get their financing needs from family and friends during the start-up phase. According to the ESEM European Social Enterprise Monitor 2022, the highest percentages among the types of financing demanded by social enterprises are as follows: self-financing (45.04%), personal savings (44.63%) and funding from family and friends (28.93%)."

Impact investing is one of the most effective solutions to overcome these difficulties in accessing finance. There are accelerators, incubators, ecosystem support institutions, public institutions, etc. that work on social entrepreneurship and impact in Türkiye. Detailed ecosystem stakeholder information can be found in the '[Impact Investing Ecosystem Mapping](#)'.

⁶⁹ [Türkiye Social Entrepreneurship Situation Analysis Report, Pf:24](#)

⁷⁰ [ESEM Türkiye Country Report](#)

What is impact investing?

According to the Global Impact Investing Network (GIIN) definition, impact investments are "investments in companies, organizations and funds with the intention of generating measurable social and environmental impact as well as financial returns."⁷¹ This definition underlines the key elements of impact investing: the intention to address social and environmental issues, the expectation of financial return, and a commitment to measure the impact of these investments.

Impact investing operates across a spectrum of different investors, from traditional investors whose priority is financial return, to philanthropic donors and public organizations focusing solely on social or environmental outcomes.

Alternative investment models for impact investing exist other than traditional venture capital or debt financing. Tailored to different investor expectations and the specific needs of businesses or projects, these models utilize various forms of debt, equity or combinations thereof.

Impact investing offers alternative solutions with different investment models that are not just equity or debt. These innovative structures are analyzed in [‘An assessment report about the barriers and opportunities of impact investing for social entrepreneurship in Türkiye’](#).

Public Supports

The public sector offers financing support in different ways. These include participation in enterprise funds and providing grants to enterprises, co-operatives, associations or projects. Prominent examples are shared in the section 'Social Economy and Supporting Activities by the Public Sector' above.

Grant

There are different sources of grants for social entrepreneurs, co-operatives, associations and foundations in Türkiye. Some of these are grants provided with public support, special grant programs offered by the private sector and alternatives from abroad.

In this area, alternative grants exist for cooperatives, associations and social entrepreneurs with different structures, other programs and various needs (such as personnel expenses, machinery purchase, project support, etc.).

Some of the prominent programs in the ecosystem for social entrepreneurship, which also offer cash prizes, are the İbrahim Bodur Social Entrepreneurship Programme Awards⁷², the Social

⁷¹ [What you need to know about impact investing, GIIN, 2023](#)

⁷² [İbrahim Bodur Social Entrepreneurship Awards](#)



Impact Award⁷³ in collaboration with Anadolu Efes, and EWA, the Women Entrepreneurs Creating Change in Food and Agriculture Programme led by Foodback⁷⁴. In the İbrahim Bodur Awards, in addition to the 250,000TL cash prize, the winning venture receives team-specific business development and investment preparation support from Kale Group and Impact Hub Istanbul. Impact Hub awards are provided with pre-seed financial support mentoring and network access. Within the EWA program, the 1st and 2nd place winners are awarded €10,000, €5,000 and mentoring, training and access to resources.

Moreover, EU funds are an important source of financing for social economy actors. According to ESEM research data⁷⁵, the most frequently applied EU fund by social enterprises in Türkiye is the Erasmus+ program, with 10.33%. This is followed by Horizon 2020, with 4.55%, and EASI, with 2.89%. In Türkiye, there are two prominent organizations from the civil society field that provide up-to-date information on EU grant processes for social entrepreneurs. These are the Sivil Düşün⁷⁶ and Sivil Alan⁷⁷ platforms.

The Sabancı Foundation Changemakers⁷⁸, Entrepreneurship Foundation Fellow Programme⁷⁹ and different program supports, Türkiye Mosaic Foundation⁸⁰, Support Foundation for Civil Society⁸¹ Civil Society Development Center⁸², Türkiye Informatics Foundation, Türkiye Entrepreneurship Foundation and Maxis Venture Capital Portföy Yönetimi AŞ (İş Bank) in cooperation⁸³ new generation impact investment fund "Founder One" are among the examples of stakeholders that stand out in the support of civil society by foundations.

Angel Investment

In this investment model, for social enterprises, angel investors provide capital financing to early-stage companies individually or as a network. Among the leading angel investment networks in Türkiye are [Galata Business Angels](#), [BÜMED Business Angels](#), [LABX](#), [Keiretsu Forum](#), [Şirket Ortağım](#), [İstanbul Startup Angels](#), [BIC Angel Investments](#), [Angel Effect](#), [TRAngels](#). Apart from these networks, there are individual angel investors whose numbers are increasing day by day. They are essential in the implementation and scaling phases. Galata Business Angels has supported social enterprises such as Fazla Gıda and Otsimo from the social entrepreneurship ecosystem, and Şirket Ortağım Engelsiz çeviri.

⁷³ [Social Impact Award in cooperation with Anadolu Efes](#)

⁷⁴ [Foodback Women Entrepreneurs Creating Change in Food and Agriculture Programme](#)

⁷⁵ [ESEM Türkiye Country Report](#)

⁷⁶ [Sivil Düşün, European Union Programme](#)

⁷⁷ [Civic Space, Civil Society Communication Platform](#)

⁷⁸ [Sabancı Foundation, Changemakers](#)

⁷⁹ [Entrepreneurship Foundation Fellow Programme](#)

⁸⁰ [Türkiye Mosaic Foundation Supports](#)

⁸¹ [Civil Society Support Foundation Funds](#)

⁸² [Civil Society Development Centre Supports](#)

⁸³ [Türkiye Informatics Foundation, Türkiye Entrepreneurship Foundation and Maxis Venture Capital Portfolio Management Co-operation with Founder One](#)



Venture Capital

According to their declarations, seven structures in Türkiye are impact investment funds: [Arya Women](#), [Etki GSYF](#), [Founder One](#), [Ida Capital](#), [İzmir Kemeraltı Real Estate](#), Teknokent Carbon 06 and [Vestel Future Impact Fund](#). These funds invest with a focus on both financial return and impact output. They are also invested in areas such as climate technologies, energy, health, and material technologies. However, it is not known how active these funds are in impact-oriented investment and evaluation processes.

[The Impact Investing Advisory Board](#) (EYDK) was established in Türkiye on 28 April 2021 to increase impact investing. As of April 2022, it became a part of the international impact investing network (Global Steering Group, now known as [GSG Impact](#)). The UNDP Impact Investing⁸⁴ report, which also recommended the establishment of the EYDK, is vital in mainstreaming impact investing in Türkiye and the healthy development of the impact investing ecosystem.

Table 3 - Prominent Institutions from the Department

Angel Investors	Galata Business Angels , BÜMED Business Angels , LABX , Keiretsu Forum , Company Partner , Istanbul Startup Angels , BIC Angel Investments , Angel Effect , TRAngels
Impact Investors	Arya Women , Etki GSYF , Founder One , Ida Capital , İzmir Kemeraltı Real Estate , METU Teknokent Carbon 06 , Vestel Future Impact Fund
Incubators, Accelerators, Programmes	Foodback - EWA , Entrepreneurship Foundation Fellow Programme , İbrahim Bodur Social Entrepreneurship Programme Awards , Sabancı Arf , Sabancı Foundation Changemakers , Social Innovation in Health Programme: Doz , SEECO , Social Impact Award
Ecosystem Support Organisation	Impact Hub Istanbul , Impact Hub Ankara , Ashoka , imece , Civil Society Development Centre (STGM) , Civic Space , Think Civil
Academy	Koç University - Social Impact Forum (KUSIF) , TED University - Station TEDU , Bilgi University - Bilgi Social Incubation Centre , Ankara Social Sciences University - Social Innovation Centre

⁸⁴ [UNDP Impact Investing, September 2022](#)

Chapter 3: Examples of Social Entrepreneurship in Türkiye (Toyi, Good4Trust, Hera Digital, Harcy, BlindLook)

In Türkiye, a growing number of innovative approaches promote social and economic transformation, and social enterprises stand out for their potential for social impact. This section analyses a sampling of such initiatives.

Some of these initiatives operate as company structures associated with civil society organizations and pursue common goals, while others operate independently with only a company model. Some of the social enterprises are profit-oriented, while others are non-profit-oriented. The fact that Türkiye's social enterprises and social economy have not yet been legally defined with a clear framework leads to these different formations and searches.

The common denominators of these initiatives are their contribution to the United Nations Sustainable Development Goals, local sustainable economic development and their social impact potential. Each of Türkiye's initiatives is a transformation pioneer in the sectors in which it operates, with its innovative approach and different business model. Hera Digital stands out with its contributions to public health and improving the living conditions of minorities through technology; Blindlook with its innovative approaches to inclusion and accessibility; Harcy with its contribution to sustainable society by producing unique and ecological building materials. Good4Trust stands out with its different model that promotes fair trade and derivation economy; Toyi stands out with its creative solutions in education, children's rights and the sustainable toy sector.

1. Toyi

[Toyi](#) is a social enterprise that creates play experiences that support children's creativity and imagination. Its eco-friendly, creative play kits enable children to transform everything around them into unique toys. In addition, it carries out advocacy activities to support children's rights with academia, the private sector, civil society and public partnerships.

Table 4 - About Toyi		
Venture Structure & Business Model	Sphere of Influence ⁸⁵	Success Stories
<p>Toyi is a social enterprise founded in 2018 with the trade name Toyi Oyun ve Tasarım A.Ş.</p> <p>Game stakeholders include:</p> <p>Industry Partners:</p>	<p>By the end of 2024, Toyi reached a total of 500,000 children in more than 23 countries.</p> <p>Toyi is reaching new parents, teachers and children in Australia,</p>	<p>- Toyi won the iF DESIGN AWARD 2021 in the "Product" category.⁸⁸</p> <p>- Sabancı Foundation and Sabancı University became the 2021 theme supporters of the</p>

⁸⁵ [Toyi, How Did 2021 Go?](#)

⁸⁸ [iF Design Award, Toyi](#)

<p>Safari LTD, Bigjigs Toys, Bornelund Inc, Barnes & Noble,</p> <p>Civil Society Partners: Sirkhane Her Yerde Sanat Derneği, Tarlabası Community Centre, Sulukule Volunteers Association, Support to Life Foundation, Young Life Foundation, Teacher Network, Çabaçam, Association for Solidarity with Asylum Seekers and Migrants.</p>	<p>Austria, Belgium, Belgium, the United Arab Emirates, France, the Netherlands, the United Kingdom, Ireland, Italy, Japan, Canada, the Caribbean, Qatar, Qatar, Mexico, Poland, Romania, Russia, Singapore, Chile, the United Kingdom, Sweden, Switzerland, the United States, and Taiwan.</p> <p>Thanks to its work on the production side, it now produces toy parts from recycled plastics and has brought 24 tonnes of plastic back into the economy by using it in a circular way. In this way, Toyi prevented 9NN6,200 kg of CO2 emissions.</p> <p>Toyi donations committed in line with the principle of responsible communication can be tracked publicly on the 'transparent data flow table'⁸⁶.</p> <p>With the participation of 68 game defender stakeholders, the game defenders carried out the issue maps study.⁸⁷</p> <p>Toyi contributes to SDG 4 (Quality Education), SDG 12 (Responsible Production and Consumption) and SDG 17 (Partnerships for the Goals).</p>	<p>Good Practices in Education Conference.</p> <ul style="list-style-type: none"> - Within the scope of the Environmental Refugees project in cooperation with Nesquik, it contributed to the development of upcycling skills of approximately 1000 students in 10 schools in Istanbul, Izmir and Ankara through games.⁸⁹ - Toyi was honored with Mojo Nation's Rising Star Award. - The world-famous newspaper Independent included Toyi among the "Best Toy Brands".⁹⁰ - Independent Toy Awards 2020, Game Creator Awards 2020, Parents' Choice Gold Award. - "Won the UK Independent Toy Awards in 2020 and 2022."
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2. Good4Trust

[Good4Trust](#) is an online system founded in 2014. It is a social enterprise set out to create an ethically based, ecologically and socially just derivation economy. The Good4Trust system establishes an ecosystem by bringing together producers and derivatives. The system offers a bazaar section to develop a business-to-business circular economy and transform supply networks by bringing together producers who are trying to produce ecologically and socially fair production with buyers.

⁸⁶ [Toyi Donations Data](#)

⁸⁷ [Toyi Game Defenders Issue Maps](#)

⁸⁹ [Nestle Toyi Collaboration, Environmental Refugees](#)

⁹⁰ [Independent, Best Toy Brands](#)

The Derivation Economy Association has been established to explain, support and disseminate the economy that Good4Trust is trying to develop. Good4Trust's primary goal is to ensure the realization of the derivation economy in Türkiye and then all over the world.⁹¹ Derivation economy is an inter-business circular economic system that emphasizes ecologically and socially just production and services instead of consumption, profit maximization and growth-oriented systems, based on goodness and trust, minimizing ecological and social impacts.⁹² Good4Trust believes that a new economic system can be created with the support of individual and corporate consumers who prefer to do business with ecologically and socially just producers.⁹³

Table 5 - About Good4Trust		
Venture Structure & Business Model	Sphere of Influence	Success Stories ⁹⁴
<p>Good4Trust.org is a non-profit social enterprise, its legal entity is a company. The Good4Trust.org brand is registered in Türkiye as İyilik İletişim ve Yazılım Ticaret Ltd. All shares are investment shares and therefore no profit is distributed in accordance with the company charter. Any surplus income is invested back into Good4Trust.org.⁹⁵</p> <p>The Derivation Economy Association was founded in December 2015 by social entrepreneurs, civil society experts, researchers, scientists, ecology and human rights activists, financial technologies and sustainability investors to conduct research on ecologically and socially just business models, to strengthen and disseminate good practices, and to inform society about the positive impacts of the derivation</p>	<p>Throughout 2023, 45% of the kindness posts were "supporting an environmentally and socially conscious producer" through shopping, and 55% of the kindness posts came from the producers themselves. Among this second group of posts, there were posts by producers who initiated climate campaigning training, provided financial support to students in need, recycled their unused clothes, shared the happiness of taking part in the community, rescued newborn dogs in their neighborhood, and participated in the Sustainable Cities Festival.⁹⁷</p> <p>Among the 17 Global Goals, SDG 8 (Decent Work and Economic Growth), SDG 10 (Reducing Inequalities), SDG 12 (Responsible Consumption and Production), and SDG 12</p>	<ul style="list-style-type: none"> - In 2023, the number of consumers reached 25,108, 1,219,563 TL fair shopping was made with 289 open shops, and 51 supporters were reached. - IKEA Social Entrepreneurship is one of the 12 initiatives selected for the DELTA Globaliser Systems Change Accelerator. - <u>The 1st International Conference on Derivation Economics</u> was organized in cooperation with Kadir Has University within the scope of international studies. - Izmit Bazaar has been active for the 3rd year and has realized a total of 108 solidarity meetings. - A new project bazaar was opened within the scope of the Forest Fire Resilient Production Models Project in cooperation with WWF-Türkiye and Garanti BBVA. - In cooperation with İyzico, the 5th term of the 'Women Entrepreneur Support Programme' project was launched.

⁹¹ [Social Economy, Good4Trust, A Lab to Realise the Derivation Economy](#)

⁹² [Izmir Development Agency, Development Dictionary](#)

⁹³ [Good4Trust, About Us](#)

⁹⁴ [Good4Trust 2023 Annual Report](#)

⁹⁵ [Good4Trust, Business Model](#)

⁹⁷ [Good4Trust 2023 Annual Report](#)

economy on nature conservation and building a sustainable society. ⁹⁶ Good4Trust 2024 - Number of Producers:801 - Number of Derivative Community: 25.915 People	(Responsible Consumption and Production) contribute to all areas of the economy.	- Within the Association for Production Economy scope, 132 campaigns have been supported so far in climate advocacy activities, and 72 campaigns were launched in 2023 alone. A total of 639,570 signatures were collected in 2023. The total reach of social media accounts reached 26 million 300 thousand.
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3. Hera Digital

[HERA](#) is a digital health platform with a free downloadable app that digitally connects refugees to preventive health services. It aims to improve public health by facilitating access to health services for pregnant women and increasing immunizations for children under 2 years of age.

HERA's mission is to be a mobile platform facilitating refugee populations' access to healthcare services worldwide. Today, Türkiye hosts the largest refugee population in the world. There are more than 3.6 million Syrians under temporary protection and more than 330,000 refugees and asylum seekers under international protection. Only 13-25% of Syrian refugees in Türkiye are fully immunized and the prevalence of vaccine-preventable diseases among children is increasing.⁹⁸ As an initiative born from this geography, HERA initially focused on increasing prenatal care and childhood immunization rates among Syrian refugees in Türkiye. Its goal is to provide health services to refugees worldwide.

Table 6 - About Hera Digital	
Venture Structure & Business Model	Sphere of Influence
<p>Hera Digital is a non-profit 501 C status non-governmental organization and its legal entity name, HERA Inc. (Health Recording App) is a social enterprise. The revenue model is based on funds and donations.</p> <p>It provides its main services through the Hera Digital Health Mobile application and develops additional solutions for society's needs during disasters.</p> <p>Solution Partners:</p>	<p>10.000 users downloaded the HERA App in 2023, with 4500 active users. In addition, 6.500 visitors visit the website monthly.⁹⁹</p> <p>HERA informed more than 1,000 people about vaccination appointments, displayed nearby health centers for more than 940</p>

⁹⁶ [Derivation Economics Association](#)

⁹⁸ [Hera Digital, About Us, Vision & Mission](#)

⁹⁹ [Hera Digital, Domain](#)

UNHCR (United Nations High Commissioner for Refugees), UNFPA (United Nations Population Fund), USAID (United States Agency for International Development), Fondation de France (France Foundation), Twilio, STDV (Civil Society Support Foundation), Grand Challenge Canada, Google, Adana Metropolitan Municipality, Adana Seyhan Municipality, Adana Governorship, We Need to Talk Association, Health Rights Association, Dünya Evimiz Association, Hatay Governorship, TAPV (Turkish Family Health and Planning Foundation), Ministry of Health of the Republic of Türkiye are the organizations assisting in providing data on refugees and adapting HERA's mission to national and regional needs.

HERA and its implementing partner MEDAK in Türkiye facilitate fieldwork and data collection by acting as an emergency response team in Türkiye.

Hera Digital Application:

It offers services such as appointment tracking, finding nearby health centers for sexual and reproductive health information, emergency calls, pregnancy tracking, AI-powered WhatsApp hotline, first aid training and translation. It is available in Turkish, Arabic, Dari, Pashto and English.

Whatsapp Chatbot:

After the 2023 February earthquakes, it is an open-source chatbot application supported by artificial intelligence that can easily add the locations of healthcare facilities to the map.

Disaster Health Map

A live mapping exercise, updated every 10 minutes, verifies the status of public health centers directly on the spot. In addition, a real-time doctor-patient voice translation tool is available in different languages.

AMTI - Artificial Intelligence Support Line

Easy access via WhatsApp provides fast and accurate information around the clock, from anywhere. It responds to health-related questions instantly and makes personalized recommendations according to needs. It provides information and support on maternal health, child vaccinations, sexual and reproductive health, and gender-based violence.

users and was used 130 times to call emergency services.¹⁰⁰

HERA's approach is directly related to the United Nations Sustainable Development Goals (SDGs) 1 (End Poverty), 3 (Good Health and Wellbeing) and SDG 10 (Reduce Inequalities).

This is a possible way to ensure sustainable representation and inclusion in the project life cycle and also contributes directly to SDG 8 (Decent Work and Economic Growth) and SDG 11 (Sustainable Cities and Communities).

Success Stories

- HITLAB Women's Health Technology, 3rd Place¹⁰¹
- RHWG, Seed Grant Award from American Beirut Hospital
- EIB SIT, Audience Choice Award¹⁰²
- Grand Challenges Canada Grant Programme¹⁰³
- MIT SOLVE 2023 Winner
- UNFPA Equaliser Fund & Organon 4HERPower 2024 Challenge 1st Place
- MIT Open Source Code Licence

¹⁰⁰ [MIT Solve Lab, Hera Digital, Solver Focal Point](#)

¹⁰¹ [Hera Digital, Awards, HITLAB Women's Health Technology, 3rd Place](#)

¹⁰² [Hera Digital, Awards, EIB SIT, Audience Choice Award](#)

¹⁰³ [Hera Digital, Awards, Grand Challenges Canada Grant Programme](#)

4. Harcy

[Harcy](#) is an R&D company that produces new-generation building materials from plastic bottles and textile waste. Its products contribute to the circular economy by offering alternative products from sustainable and recycled materials for external walls, partitions and roofs of buildings.¹⁰⁴

Harcy is only a one-year-old social enterprise and information on its impact is limited. However, its solutions offer high potential for transformation in the social economy and entrepreneurship ecosystem.

Table 7 - About Harcy		
Venture Structure & Business Model	Sphere of Influence	Success Stories
<p>Founded in May 2022 as a social enterprise.</p> <p>Harcy Yapı Malzemeleri ve İnşaat Sanayi Ticaret Anonim Şirketi was incorporated as a legal entity in January 2023.</p>	<p>1.49 tonnes of waste saved. 1.77 tonnes of carbon saved. The first product developed is Harcy Polyester Wool, a building thermal insulation material: It recycles 2 kg of textile waste per square meter for the economy.</p> <p>Harcy contributes to SDGs 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities) and 12 (Responsible Production and Consumption).</p>	<ul style="list-style-type: none"> - In 2024, it received an investment of \$350 thousand under the leadership of Kuveyt Türk Portfolio.¹⁰⁵ - 2024 İbrahim Bodur Social Entrepreneurship Awards Early Stage Award.¹⁰⁶ - In 2022, İtÜ Çekirdek was selected to the Big Bang Top 20.¹⁰⁷ - 2024 First prize in ITU TechXStyle "Scale-Up" category.¹⁰⁸ - Hello Tomorrow 2024 Global Challenge was selected as "Deep Tech Pioneer" by ranking among the top 8 initiatives in Türkiye and among the top 750 initiatives in the world.¹⁰⁹

5. BlindLook

[BlindLook](#) was founded in 2019 as a social enterprise aiming to eliminate the barriers faced by visually impaired people while using technology. Aiming to enable 285 million visually impaired

¹⁰⁴ [Harcy, about us.](#)

¹⁰⁵ [Harcy Investment News Webrazzi](#)

¹⁰⁶ [IBSG 2024](#)

¹⁰⁷ [Harcy, LinkedIn](#)

¹⁰⁸ [ITU News, Three Awards for ITU Students at TechXtile Competition, 2024](#)

¹⁰⁹ [Hello Tomorrow Türkiye Summit 2024](#)

individuals to participate in life independently, BlindLook continues to work with individuals and institutions to make the world accessible to everyone.

BlindLook, which makes the products and services of brands understandable and usable for the visually impaired by combining artificial intelligence and voice technologies, brings together brands that use this technology under the umbrella of EyeBrand (Visually Impaired Brand).¹¹⁰

Table 8 - About Blindlook		
Venture Structure & Business Model	Sphere of Influence ¹¹¹	Success Stories ¹¹²
<p>BlindLook offers solutions to make the daily lives of people with disabilities accessible through its application to individuals.</p> <p>It provides accessibility services for all institution processes and helps institutions complete Eyebrand processes in 4 weeks.</p> <p>BlindLook services for organizations:</p> <ul style="list-style-type: none"> - Eyebrand with Access Point - Audio Simulation With Eye Brand - Eyebrand with Blind Friendly Places - Eyebrand with Accessibility Widget 	<p>It plays a leading role in the accessibility transformation of Türkiye's White Goods, Fuel, Transport, Food and beverage, Insurance and pension, and Banking and finance sectors.</p> <p>Approximately 55 companies from Türkiye have increased their accessibility as Eyebrand.</p> <p>These companies include Amazon, Trendyol, Papara, Pegasus, and Teknosa.</p> <p>Among the 17 Global Goals, it carries out activities in line with SDG 10 (Reducing Inequalities) and SDG 11 (Sustainable Cities and Communities).</p>	<p>2023</p> <ul style="list-style-type: none"> - Women Tech EU 100 Women Bosses List - Fast Company Türkiye Top 100 Start-ups List - Cartier Women's Initiative Awards 1st place <p>2022</p> <ul style="list-style-type: none"> - Fortune 40 Under 40 - Fast Company Most Innovative Companies - HSBC C3 Social Impact Accelerator Programme - Fast Company & Vodafone 100 Women Bosses List <p>2021</p> <ul style="list-style-type: none"> - Google #SheMakes Programme - Fortune 40 Under 40 - Turkish Startup Company of the Year (AmCham) - Bosphorus Informatics Awards - Garanti BBVA Woman Entrepreneur of the Year Award <p>2020</p> <ul style="list-style-type: none"> - HSBC Sustainable Growth Programme

¹¹⁰ [Blindlook, For Individuals and Brands](#)

¹¹¹ [Blindlook, Eyebrand World](#)

¹¹² [Blindlook, About Us, Awards](#)

		- İbrahim Bodur Social Entrepreneurship Award 2019 - ITU BigBang Challenge Anadolu Efes Special Award - imece Social Entrepreneurship Award
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Section 4: Opinions from experts in the field on what can be improved, supported, changed

At the time of the preparation of this report, an evaluation report on 'Barriers and opportunities for impact investing for social entrepreneurship in Türkiye was being developed within the scope of the SEECO project. As a result of interviews with 29 participants from the social entrepreneurship ecosystem, the main problems that would contribute to the development of the field were identified as financing and investment, training, capacity and business model development, policy and legal framework. Strategic solution suggestions for the observed problems are also shared in this report.

The issues and recommendations related to the topics addressed by this report, which focuses on the social economy, are summarized below. The full outputs of the report can be viewed in the '[An assessment report about the barriers and opportunities of impact investing for social entrepreneurship in Türkiye](#)'.

Financing and Investment

Developing appropriate investment models for social economy stakeholders, especially for social enterprises and bringing them into the ecosystem.

Traditional venture capital investment models dominate the Turkish entrepreneurship ecosystem. These models typically demand fast, high returns and scalability and are not aligned with the mission-driven and often slower-growing nature of social economy stakeholders.

1. Research and Implement Alternative Impact Investment Models: Researching alternative impact investment models that are more suitable for the business and impact models of social economy stakeholders, where financial returns for investors are structured differently from the venture capital model, and evaluating how these can be implemented in Türkiye's legal and tax regulations.

2. Effective use of public resources for social economy. Associating the grants, programs, machinery purchases, etc. allocated for the social economy with impact targets and developing



them through evaluations based on the results. In this process, alternative impact investment models should also be evaluated and effective utilization systems of public resources should be established.

3. Creating Support Systems: Establishing support systems such as incubators, accelerators, and mentor programs to improve the capacity of social economy stakeholders in financial management and creating a sustainable business model.

4. Building Capacity: Create programs and interaction spaces for capacity building of the public sector and ecosystem support organizations to build capacity on impact-driven alternative investment instruments and funding structures.

Grants are available but are limited, simple enough to implement and incentivize impact.

Grants are the most common source of funding for social economy stakeholders. However, they have agreed to rigid rules on expenditures from the beginning. The inability to flexibly change these rules and expenditure items during implementation according to the project's development hinders innovation and an entrepreneurial approach. These structures and the accompanying conventions indirectly incentivize some initiatives and funders to spend based on rules rather than on achieving results.

1. Strengthen Grant Programmes with Technical Assistance: Linking grant programs offered through public institutions with technical assistance to help social economy stakeholders develop skills and use grants efficiently.

2. Focus on Impact Results: Linking grants to clear, expected impact outcomes. Social economy stakeholders should monitor these results and grant-making organizations should evaluate them. Thus, the focus can be on results rather than on processes and expenditure requirements.

3. Sharing Experiences: Creating tools or spaces for interaction where social economy stakeholders can share their experiences with grant use, including challenges and benefits, with policymakers.

Entrepreneurial Philanthropy is emerging in Türkiye and offers great potential.

Venture Philanthropy uses venture capital principles to support non-profit organizations and focuses on long-term support, impact and financial performance measurement and strategic



guidance.¹¹³ In Türkiye, there are many foundations with their own activities focused on social or environmental impact, supporting different projects and entrepreneurs with financial support. These foundations can use both their own financing and the financing they provide for the projects and initiatives they support in a more impact-oriented manner through entrepreneurial philanthropy. Within entrepreneurial philanthropy's scope, foundations or organizations use different financing support models in addition to or as an alternative to grants. These include innovative models such as forgivable debt, repayable grants, blended financing and capital investments.

1. Create Policies and Incentives. Creating policies and incentives encouraging foundations to explore and adopt entrepreneurial philanthropy models.

2. Promote Public and Foundation Partnerships: Encouraging partnerships between the public sector and foundations to utilize entrepreneurial philanthropy models for projects in the public interest.

3. Promoting Good Practices and Awareness: Promoting, disseminating and raising awareness of successful examples and case studies of entrepreneurial philanthropy.

Training, Capacity and Business Model Development

Different regions of the country have different needs and most support programs are concentrated in big cities.

1. Expand support programs outside big cities. Supporting existing incubation, accelerator and ecosystem support organizations for social entrepreneurship outside the big cities, considering the focus areas in those regions, and establishing new institutions according to the need.

2. Integrate Social Enterprises into Existing Support Structures: Integrating social enterprises into support structures such as technoparks has the potential to create networks between different cities and regions. Integrating social enterprise support mechanisms into technoparks could accelerate support in Türkiye.

3. Adapting to the Local Context: Tailoring content to the local context, engaging local mentors and role models, and building partnerships with local businesses. Advocate for developing and expanding support programs in underserved areas to ensure more balanced regional development.

¹¹³ [Sopac, 'Venture Philanthropy: Leading the Way in Impact Investing'](#)



Co-operatives need more support in business planning, marketing, product design, sales, scale production and financial support such as general financing and equipment purchases.

1. Evaluation of Cooperative Support Programmes: Re-evaluating existing and planned support for co-operatives by regional development agencies and other relevant public institutions, in consultation with co-operatives and ecosystem support institutions, based on the needs of co-operatives working in different sectors and fields. Future support should be updated according to these insights.

2. Business Development Supports: Adding business development modules to existing programs or developing business development-focused programs to help cooperatives and social entrepreneurs overcome the challenges they face in business development.

3. Cooperation with Regional Business Associations and Chambers: Cooperating with regional business associations and chambers to encourage co-operatives and social economy stakeholders to interact with different businesses and structures in their region, to promote partner and sales relationships. Involve local public authorities or learning institutions in these processes.

Existing incubators and accelerators focus primarily on traditional enterprises, with very few specific support programs for social entrepreneurs and impact companies.

Moreover, most of these programs focus only on the early stages and do not address the needs of growth-stage social enterprises.

1. Create Impact-Focused Incubation and Accelerator Programmes: Creating or managing and funding incubator and accelerator programs for social entrepreneurs and impact companies that address their specific needs and challenges.

2. Building Partnerships with Existing Organizations: Encouraging partnerships between existing traditional incubators and accelerators and organizations focused on social entrepreneurship to share resources, knowledge and best practices and develop tailored programs.

3. Providing Support According to Development Stages: Providing opportunities for social enterprises to develop robust business plans that demonstrate scalability and impact, test their products and services, and support through tailored mentoring, access to capital and advanced training programs during the growth phase.

Social procurement is a proven effective business model for social economy stakeholders, still it needs to be sufficiently recognized and implemented by social economy stakeholders and the public and private sectors.

- 1. Develop Policies and Awareness Raising Campaigns:** Developing policies that encourage social procurement practices and organize public awareness campaigns to promote social procurement.
- 2. Training and Capacity Building:** Training public procurement officers on social procurement practices and supporting the capacity building of social enterprises and co-operatives to meet the private sector's supplier requirements.
- 3. Setting Examples and Providing Feedback:** Setting examples for the private sector through public sector social procurement practices and providing feedback to try and improve social procurement initiatives.

Policy and Legal Framework

The lack of a defined legal status for social enterprises creates obstacles in issues such as the recognition of social enterprises, monitoring of the ecosystem, and access to financing from international sources.

The ecosystem has long recognized the need for a separate legal status for social enterprises. A legal framework is needed to clearly define social enterprises and the governmental institutions with which they are associated. As a result, social enterprises often adopt different legal structures, such as NGOs, companies or co-operatives. This diversity makes it difficult to formulate policies, incentives and missions related to social enterprises, as the responsible governmental institutions fall under different ministries.

- 1. Creating a Unified Legal Status:** Creating a unified legal status to facilitate the identification and support of social enterprises planning and executing this process with the participation of all stakeholders (social enterprises, investors, ecosystem support organizations).
- 2. Establish a Certification System:** Implementing a certification system to help identify social enterprises and build confidence in their mission as an intermediate solution before establishing legal status.

A lack of understanding of how the social economy can contribute to local and national development hinders the involvement and potential of both the public and private sectors in this area.

1. Organizing Awareness Campaigns: Organizing comprehensive awareness and education campaigns highlighting the social economy's contribution to local and national development. These campaigns will raise public and private sector awareness of the social economy and promote how they can play a role in and support it.

2. International Collaborations: Collaborating with international organizations to learn from good practices, set an example, and continue advocacy activities with the visibility support of these organizations to advance the social economy ecosystem in Türkiye.

Chapter 5: Examples of Social Economy Policies and Programmes from Different Countries. What can be learned from these?

In this section, social economy policies and programs from the European Union, the United Kingdom and other countries are discussed and examples that can offer solutions to the problems encountered in Türkiye are examined. Each example provides approaches that can contribute to the development of the social economy in Türkiye.

The applicability of each example for Türkiye is assessed under the headings of 'Why did we choose it?' and how it can inspire the establishment of a similar ecosystem in Türkiye with the solutions they offer in the areas of impact measurement, social entrepreneurs' access to finance and developing public co-operation are detailed.

Portugal - Portugal Social Innovation Initiative

The Social Innovation Initiative is a government initiative to promote social innovation and stimulate the social investment market in Portugal. The initiative utilizes around €150 million from the European Social Fund to finance innovative projects.¹¹⁴

- **Why Did We Choose?**

'Portugal Social Innovation, which was prepared to support social innovation, is a reference for Türkiye's planning by including visibility and support structures. Portugal's utilization of EU funds in this process is also an example of the evaluation of public and different financing mechanisms.¹¹⁵

Denmark - Registration Tool for Social Enterprises

¹¹⁴ [Portugal Social Innovation Initiative](#)

¹¹⁵ [UNDP The Impact Investing Ecosystem in Türkiye, Pg:53](#)



The "Registry of Social Enterprises" (RSV), created in 2014 by the Law on Social Enterprises, provides a platform to legally recognize social enterprises and verify their activities in line with their objectives.¹¹⁶ This tool enables social enterprises to be recognized by the public and private sectors and to monitor data on an up-to-date basis.

- **Why did we choose it?**

This tool can be considered as a model or intermediate solution for social enterprises to gain legal status. Denmark's RSV tool is a reference to ensure that social enterprises are recognized and public trust is increased.

Italy Social Co-operatives Act

In 1991, Italy established the first legal framework to recognize and regulate social enterprises with the Law on Social Cooperatives (Law 381/1991).¹¹⁷ This law provides a framework that legally recognizes social enterprises and governs the activities of social cooperatives that increase the labor force participation of disadvantaged people.

- **Why did we choose it?**

Social co-operatives are an important provider of welfare services in Italy, with an annual growth rate of 10-20% since the late 1960s. The development of social co-operatives was triggered by social needs that could not be met by the public and private sectors.¹¹⁸ The law sets an important precedent for the recognition and support of social co-operatives and has inspired similar legislation in other countries.

Luxembourg: Law on Social Impact Companies

In 2016, Luxembourg recognized a new legal status for social enterprises under the name "Social Impact Companies". The law requires enterprises supporting the social economy to fulfill four main conditions: distribution of goods or services, support for vulnerable groups, autonomous management and reinvestment of profits.¹¹⁹

- **Why did we choose it?**

The law has been an important step in increasing the recognition and visibility of social enterprises. Moreover, the obligation to evaluate the law's impact allows for continuous improvement of the legal framework.¹²⁰ In the absence of a legal status for social entrepreneurs in Türkiye, this law is an inspiring model.

¹¹⁶ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:72](#)

¹¹⁷ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:75](#)

¹¹⁸ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:75](#)

¹¹⁹ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:78](#)

¹²⁰ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:78](#)



Navarra Social Economy Innovator

Under the Comprehensive Social Economy Plan, Navarra is implementing a number of concrete strategies to support social economy enterprises, in collaboration with public institutions, the private sector, social economy enterprises and civil society organizations. These strategies include creating new jobs, promoting collaborations, investing in social innovation projects and supporting the internationalization of these enterprises.¹²¹

- **Why did we choose it?**

Navarra's strategic approach can inspire the development of a similar model in Türkiye's social economy field. In particular, it sets an important example of integrating the social economy with regional development strategies.

Greece Athens Impact Measurement Tool

The Social and Solidarity Economy (SDE) Directorate of the Greek Ministry of Labour and Social Affairs has developed an online tool to measure the social impact of SDE organizations. The tool provides a system that SDE organizations are required to complete annually and allows them to measure positive and negative effects over time. By entering their data, SDE organizations can achieve concrete and measurable results, improve their operational procedures and strengthen their activities.¹²²

- **Why did we choose it?**

This tool was chosen because it offers a free and user-friendly solution that facilitates impact measurement for SDE organizations. A similar system that could be used in social economy support programs in Türkiye could meet the impact measurement needs of social economy actors. In addition, a benchmark can be established in the sector with data collected over time. The fact that the tool was developed through the municipality is a good example for Türkiye in terms of providing data to municipalities and monitoring social impacts at the local level.

Scotland - Procurement Reform Act

Scotland's Procurement Reform Act 2014 requires public organizations to consider and act on opportunities for social impact in procurement processes. It aims to create more value by improving the efficiency of public spending while supporting sustainable and inclusive economic growth.¹²³

¹²¹ [Gobierno de Navarra, Navarra Social Economy Innovator](#)

¹²² [Local Economic and Employment Development \(LEED\) Social Impact Measurement Policy Guide for the Social and Solidarity Economy, P:55](#)

¹²³ [Local Economic and Employment Development \(LEED\) Social Impact Measurement Policy Guide for the Social and Solidarity Economy, P:40](#)



- **Why did we choose it?**

This case was selected because it uses public procurement as a tool to promote social entrepreneurship, create jobs and facilitate access to markets for SMEs and third sector organizations. A similar approach in Türkiye could allow public procurement to be organized to increase social impact and support the social economy.

Brazil - National Strategy

The Brazilian Federal Government adopted the National Strategy **for Impact Investment and Social Business** (Enimpecto) in December 2017. This strategy aims to create an environment that enables market solutions to social and environmental challenges by incentivizing government institutions, the private sector, and civil society to promote impact business and social finance. The strategy was developed with the participation of different stakeholders and includes 142 activities involving 57 organizations and 19 thematic subgroups over a 10-year planning period.¹²⁴

- **Why did we choose it?**

Enimpecto was selected for its comprehensive strategy supporting impact investing and social entrepreneurship. A similar strategy in Türkiye can strengthen the social entrepreneurship ecosystem and contribute to sustainable growth in this field. Its inclusive approach offers an essential model for capacity-building initiatives on impact measurement and evaluation.

Financial and other support for social enterprises

One of the actions that the public sector can take to support social enterprises is to provide financial or other support. Here¹²⁵ one can analyze the practices in Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Poland, Slovenia, Slovakia and Spain.

Social Impact Investment Funds

Various funds around the world offer financial solutions in the fields of social entrepreneurship and social economy. These funds facilitate access to finance for social impact initiatives and support the development of the social economy ecosystem. Below are some prominent examples in this field:

- **Social Finance Fund, Canada:**

A \$755 million initiative aimed at accelerating the growth of Canada's social finance market. The fund provides charities, non-profit organizations, social enterprises, co-operatives and other social purpose organizations with access to flexible financing opportunities.¹²⁶

- **Mustard Seed Maze Fund, Portugal:**

This €45 million fund invests in fast-growing enterprises in Europe that combine social

¹²⁴ [Local Economic and Employment Development \(LEED\) Social Impact Measurement Policy Guidance for the Social and Solidarity Economy, P:31](#)

¹²⁵ [OECD, Designing Legal Frameworks for Social Enterprises: A Practical Guide for Policymakers, Pg:46](#)

¹²⁶ [Social Finance Fund, Canada](#)



impact with financial return. The European Union contributed EUR 12.5 million to this fund.¹²⁷ More information on how the EU supported the first impact fund in Portugal can be found here.¹²⁸

- **The National Lottery Community Fund, United Kingdom:**

The National Lottery Community Fund distributes more than £600 million each year to community projects across the UK. This is funded by funds raised from National Lottery players.¹²⁹

- **Better Society Capital, UK:**

UK's leading social impact investor, this fund aims to increase capital investment to address social issues and inequalities. Established in 2012, the fund has grown the social impact investment market to £8bn, financing initiatives tackling topics such as homelessness, mental health and fuel poverty.¹³⁰

- **Social Impact Fund (Fondo de Impacto Social), Spain:**

The €400 million Social Impact Fund, approved by the Spanish government, is managed by the state-owned commercial company COFIDES and finances projects that aim to create social impact.¹³¹ More detailed information can be found here.¹³²

Chapter 6: Conclusion and Recommendations

In this report, the current situation in the field of social economy and social entrepreneurship in Türkiye is assessed in the light of national and international examples and the main challenges faced by this ecosystem are detailed. There are structural barriers to the development of the social economy and social entrepreneurship ecosystem in Türkiye, such as a lack of legal framework, difficulties in access to finance and lack of awareness. To capitalize on these opportunities, strategies are needed to strengthen the social entrepreneurship ecosystem in cooperation with the public-private sector and civil society. In this respect, the report provides policy recommendations specific to Türkiye and draws a roadmap on how the social economy can be supported in line with sustainable development goals.

Situation and Potential in Türkiye:

- **Lack of Legal Framework:** The need for a specific legal status for social enterprises in Türkiye limits the recognition of these initiatives and the opportunities for public-private sector cooperation. Legal regulations that officially recognize social entrepreneurship activities will contribute to increasing investments and support in this field.

¹²⁷ [Mustard Seed Maze Fund, Portugal](#)

¹²⁸ [How the EU Supported a First Time Impact Fund in Portugal](#)

¹²⁹ [The National Lottery Community Fund, United Kingdom](#)

¹³⁰ [Better Society Capital, \(Better Society Capital\), United Kingdom](#)

¹³¹ [Social Impact Fund \(Fondo de Impacto Social\), Spain](#)

¹³² [Spanish Government Approves 400 Million Euro Social Impact Fund](#)



- **Difficulties in Access to Finance:** Social enterprises need more access to finance. Improving existing financial instruments and establishing new impact investment funds will enable sustainable growth of these initiatives.
- **Awareness and Training Needs:** The need for more awareness of the social economy and social entrepreneurship in Türkiye prevents the society from fully understanding the potential of these fields. The concept of social entrepreneurship can be disseminated to large masses through education and awareness-raising campaigns.
- **Lack of Access to Information and Communication:** The lack of information-sharing and cooperation platforms in the social entrepreneurship ecosystem causes the actors operating in the ecosystem to be disconnected from each other. It is necessary to establish cooperation networks at the national and regional levels.

Inferences from World Examples:

Countries like Portugal, Denmark, Brazil and Scotland have developed successful policies and programs that support the social entrepreneurship ecosystem. These countries have strengthened their social entrepreneurship ecosystems with impact measurement tools, special funds and legal regulations to ensure the growth of social enterprises. Based on these examples, it is important for Türkiye to consider local socio-economic dynamics and develop policies to support the social entrepreneurship ecosystem. **The OECD's Social and Solidarity Economy and Social Innovation Recommendation**¹³³ provides a comprehensive policy framework to overcome barriers to social economy organizations.

¹³³ [OECD, Recommendation of the Council on the Social and Solidarity Economy and Social Innovation, Pg:4](#)

Figure 2 - OECD - Council Recommendations on the Social and Solidarity Economy and Social Innovation



Source: [OECD, Recommendation of the Council on the Social and Solidarity Economy and Social Innovation, Pg:4](#)

Conclusion and Recommendations:

- **Legal Status:** A special legal status should be established to recognize and support social entrepreneurship activities in Türkiye.
- **Access to Finance:** Specialized financing instruments and funds should be developed for social entrepreneurs, and the channeling of public and private sector resources to these areas should be encouraged.
- **Education and Awareness:** Awareness-raising campaigns and training programs on social entrepreneurship and the social economy should be organized.
- **Information Sharing and Communication:** By creating national and regional networks, knowledge and experience sharing in the social entrepreneurship ecosystem should be increased and cooperation platforms should be supported.

In conclusion, developing the social entrepreneurship ecosystem in Türkiye will significantly contribute to sustainable social benefit and economic development. By combining Türkiye's social economy culture with today's needs, Türkiye has a high potential to develop solutions to strengthen the social entrepreneurship ecosystem. Adopting policies and strategies in line with local dynamics, inspired by international best practices, will support the development of the social economy.

Results Table

<p>Lack of awareness and understanding of social economy and social entrepreneurship in Türkiye. Social economy concepts and impacts have yet to be widely understood and recognized in Türkiye. A lack of a unified definition and legal framework makes it difficult for social enterprises to gain sufficient visibility and recognition.</p>	<p>Awareness campaigns and training programs can be organized to raise awareness and create a supportive ecosystem. A legal framework that recognizes and supports social enterprises could be proposed. This could include defining a specific legal structure and creating support structures, such as tax incentives, to facilitate the development of social enterprises and their contribution to the economy.</p>
<p>Constraints faced by social enterprises in accessing and sourcing financial aid. Social enterprises in Türkiye need help accessing financing and investment opportunities due to a lack of appropriate economic instruments and limited investor interest. Most social enterprises rely on self-financing or personal funds, which limits their growth potential.</p>	<p>Diversified financial instruments and support mechanisms can be developed. Funding programs and new financial instruments (e.g., impact investment funds, grants and low-interest loans) can be established for social enterprises. Public-private partnership models can be promoted to increase social enterprises' access to finance. Collaborations can be established to support impact investing and social finance institutions.</p>
<p>Fragmented and disorganized support structures. Support structures for social economy actors, such as incubators, accelerators and development programs, must be more cohesive and better coordinated. This lack of coordination limits the potential for cooperation and resource sharing among stakeholders.</p>	<p>A coordinated support ecosystem can be established. Support structures can be coordinated and cooperation between incubators, accelerators and other ecosystem support organizations can be encouraged. Information and resources can be shared, and capacity-building programs can be designed to meet the specific needs of social enterprises.</p>
<p>Regulatory gaps and legal challenges. Social enterprises in Türkiye do not have a specific legal status, making it difficult for them to operate effectively and access the necessary resources. A legal framework needs to be revised to ensure the recognition of social enterprises and the measurement of their impact.</p>	<p>To clarify and increase the visibility of social enterprises, a special legal status could be defined, similar to the models used in European Union countries. A system can be developed to categorize social enterprises based on their social impact and commercial activities.</p>

<p>More education and training are needed on social entrepreneurship. Türkiye's educational institutions and training programs need to focus more on social entrepreneurship to address the need for more qualified professionals.</p>	<p>Social entrepreneurship can be integrated into education and training programs. Social entrepreneurship courses can be opened in universities, vocational training programs, special programs and workshops can be organized for entrepreneurs in this field. Mentoring and training programs can be offered in cooperation with international organizations and local NGOs.</p>
<p>Social enterprises lack the tools and capacity to measure and communicate their social impact. Not measuring their impact reduces their ability to attract funding and gain public and government support.</p>	<p>The development of social impact measurement and reporting standards could be encouraged. A national framework for social impact measurement and tools and methods to guide it could be developed. Training and capacity-building activities can be organized, and social enterprises can be encouraged to collaborate with academic institutions.</p>
<p>Need for more data and research on the social economy in Türkiye. More data and research are needed on the scope, scale, and impact of the social economy sector in Türkiye. This makes effective policy-making and strategic planning difficult.</p>	<p>Data collection and the shaping of research priorities can be encouraged. A dedicated research network focusing on social economy and social entrepreneurship could be established. Develop partnerships with universities, research institutions and international organizations to support data collection and analysis.</p>
<p>There is a low level of private sector involvement in the social economy. Due to structural challenges, private sector engagement with the social economy in Türkiye is still a developing field and needs to be improved. This leads to missed opportunities for collaboration, investment and joint ventures between social enterprises and traditional businesses.</p>	<p>Raising awareness and highlighting good practices can encourage private sector involvement. Corporate social responsibility (CSR) initiatives that incorporate social economy principles can be increased. Support such as partnerships and tax reductions can be offered to encourage private sector participation in social economy projects. Public-private sector cooperation models can be developed.</p>

Annex 1 - National legal frameworks for the social and solidarity economy

A list of 'Framework laws on Social Economy, specific laws on Social Economy Organisations and Strategies and Action Plans of different European Union member and non-member countries' compiled within the report 'Legal frameworks for the social economy and solidarity economy' of 2022 prepared within the Global Action in Support of the Social and Solidarity Economy Ecosystem at the OECD¹³⁴.

Country	Framework laws on the SSE	Specific laws on the SSE entities	Strategies and Action Plans
European Union Member Countries			
Austria		<ul style="list-style-type: none"> - Cooperative Law (1873) - Limited Liability Company Act (1906) – Public benefit limited companies - Federal Act on Associations (2002) 	
Belgium		<ul style="list-style-type: none"> - Law on mutual societies and national unions of mutual societies (1990) - Code on Companies and Associations (2019) that integrates the former Law on Associations and Foundations, the revised book on cooperatives, as well as the legal status of “social enterprise” available for cooperatives 	

¹³⁴ [Legal frameworks for the social and solidarity economy, OECD, 2022, Pp:55](#)

Bulgaria		<ul style="list-style-type: none"> - Cooperatives Act (1999) – Cooperatives for people with disabilities - Act on Integration of people with disabilities (81/2004) - Act on Enterprises of Social and Solidarity Economy (240/2018). - Act on Non-Profit Legal Entities (81/2000) - Act on Public Cultural Associations (89/1996) 	- Bi-annual Social Economy Action Plans, which establish cross government objectives to promote the development of the social economy in Bulgaria
Croatia		<ul style="list-style-type: none"> - Act on Trusts and Foundations (OG 36/1965, 64/2001) - Act on Institutions (OG 76/1993, 29/1997, 47/1999, 35/2008) - Act on Cooperatives (OG 34/2011, 125/2013, 76/2014) - Act on Vocational Rehabilitation and Employment of people with disabilities (OG 157/2013, 152/2014) - Act on Associations (OG 74/2014, 70/2017) - Act on Credit Unions (141/2006, 25/2009, 90/2011) 	- Strategy for Social Entrepreneurship Development (April 2015)
Czech Republic		<ul style="list-style-type: none"> - Business Corporations Act (90/2012) – Cooperatives, Social Cooperatives - Civil Code (89/2012) – Associations, Institutes, Foundations 	- Strategy for the Support of Small and Medium Entrepreneurs 2014–2020, which includes social enterprises
Denmark		- Act on Registered Social Enterprises (2014)	
Estonia		<ul style="list-style-type: none"> - Apartment Ownership Act (1995) – Commercial Associations - Foundations Act (1995) - Commercial Code (1995) – Private Limited Company - Non-Profit Associations Act (1996) 	<ul style="list-style-type: none"> - National Development Plan for Civil Society 2015-2020 - National Development Plan for Civil Society 2021-2030 (under development)
Finland		<ul style="list-style-type: none"> - Act on Social Enterprises (1351/2003) (revised in 2012) - Cooperatives Act (22/1901) - Associations Act (1/1919) - Foundations Act (109/1930) - Insurance Companies Act (174/1933) 	
France	- Framework Law on the Social and Solidarity Economy (2014)	<ul style="list-style-type: none"> - Law on the contract of association (1901) – Associations - Mutuality Code (revised in 2019) – Mutuals - Law 47-1775 (1947) – Cooperatives - Law 87-571 (1987) – Foundations - Law 91-3 (1991, revised in 2018) – Insertion Enterprises - Law 2001-624 (2011) – Collective interest cooperatives (SCIC) - Framework Law on Social and Solidarity Economy (2014) – Solidarity Enterprises of Social Utility (ESUS), Co 	- Growth Pact for SSE (2018)



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Germany		<ul style="list-style-type: none"> - German Cooperatives Act (revised in 2006) - Public benefit legislation (2013) - German Civil Code (2002) – Associations, Foundations - German Commercial Code (1897) - Fiscal Code (1977, revised in 2002) - Limited Liability Companies Act (1892, last amended in 2021) 	
Greece	<ul style="list-style-type: none"> - Law on Social Economy and Social Entrepreneurship (4019/2011) - Law on Social and Solidarity Economy (4430/2016) 	<ul style="list-style-type: none"> - Law on Mental Health Services (2716/1999) – Limited Liability Social Cooperatives (KoiSPE) - Law on Civil Cooperatives (1667/1986) - Law 602/1915 - Agricultural Cooperatives - Law 3190/1955 - Limited Liability Companies - Law 921/1979 - Women's Agrotourism Cooperatives - Law 4430/2016 - Social Cooperative Enterprises, Workers Cooperatives 	
Hungary		<ul style="list-style-type: none"> - Act 141 on Cooperatives (2006) – Social cooperatives and sub-types such as school cooperatives or employment cooperatives - Act CLXXV on the Freedom of Association, Non-profit Status and the Operation and Support of Civil Organizations (2011) – NGOs with economic activities - Act V of the Civil Code (2013) - Business Associations Act (4/2006) 	
Ireland		<ul style="list-style-type: none"> - Companies Act (1963-2013) – Company Limited by Guarantee - New Companies Act (2014) 	- National Social Enterprise Policy 2019-2022
Italy	<ul style="list-style-type: none"> - Law 106/2016 for the Reform of the 'Third Sector', social enterprise and universal civil service - Legislative Decree 117/2017, Code of third sector entities 	<ul style="list-style-type: none"> - Law 3818/1886 – Mutual benefit societies - Law 381/1991 – A-type social cooperatives engaged in social, health and educational services and B-type social cooperatives engaged in work integration - Law 118/2005 and Legislative Decree 155/2006 provide for a more general legal framework on social enterprises and introduce principles of pluralism of organizational forms - Legislative Decree 112/2017 – Revision of the Social Enterprise Law 	
Latvia		<ul style="list-style-type: none"> - Commercial Law (2002) - Association and Foundations Law (2004) - Public Benefit Organisation Law (2004) - Social Enterprise Law (2018) 	
Lithuania		<ul style="list-style-type: none"> - Law on Social Enterprises (2004) - Decree No.4-20 (2015) – Social Business - Law of Associations (1969) - Law on Cooperative Societies (1993) - Law of Charity and Sponsorship Foundations (1996) - Law on Public Establishments (1996) 	

Luxembourg	- Act on Societal Impact Companies (2016)	- Law on Non-Profit Associations and Foundations (1928) - Law on the Restoration of Full Employment (41/2009) - Work Integration Social Enterprises - Law on Commercial Societies (1915, revised in 2017 and 2021) – Cooperatives, Limited Liability Companies	
Malta		- Draft Social Enterprise Act (June 2015), which seeks to offer both a new legal form of 'social enterprise company' and a 'social enterprise organization' label - Cooperatives Societies Act (2002) - Voluntary Organisations Act (2007)	
Netherlands		- Civil Code – Associations, Foundations, Public Limited Companies, Private Limited Companies	
Poland		- Act on Vocational and Social Rehabilitation and Employment of Disabled Persons (1997) – Professional activity establishments (ZAZ) - Law on Social Cooperatives (2006) - Code of Commercial Companies (2000) - Act on Foundations (1984) - Act on Associations (1989)	- National Programme for Social Economy Development
Portugal	- Social Economy Framework Law (2013)	- Decree-Law No. 72/90 (1990) – Mutual Associations - Code (51/1996) - Law on Private Institutions of Social Solidarity (IPSS) (172-A/2014) - Cooperative Code (2015) - Decree-Law 7/98 (1998) - Social Solidarity Cooperatives - Framework Law on Foundations (24/2012) - Code of Mutual Associations (190/2015)	
Romania	- Law on Social Economy (219/2015)	- Law on Protection of People with Disabilities (448/2006) - WISEs - Government Ordinance 26/2000 - Associations, Foundations - Law 540/2002 - Mutual Aid Associations of Retirees (RMAA) - Law on the Organisation and Functioning of Cooperatives (1/2005)	- National Strategy for Social Inclusion and Poverty Reduction 2014-2020
Slovakia		- Act on the Employment Services (5/2004, amended in 2008) - Act on Social Economy and Social Enterprises (112/2018) - Act on Public Association (83/1990) - Commercial Code (513/1991) - Act on Small Business (455/1991) - Act on Non-Profit Organisations (213/1997) - Act on Foundations (34/2002) - Act on the Commercial Register (530/2003)	



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Slovenia		<ul style="list-style-type: none"> - Act on Institutes (1991) - Act on Cooperatives (1992) - Act on Foundations (1995) - Act on Work Rehabilitation and Employment of People with Disabilities (2004) - Limited Liability Companies with the status of companies for people with disabilities, Institutes and Cooperatives with employment center status - Act on Associations (2006) - Social Entrepreneurship Act (2011, revised in 2018) - Act on Non-Governmental Organisations (2018) 	- Strategy for the Development of Social Economy from 2021-2031
Spain	- Law 5/2011 on the Social Economy	<ul style="list-style-type: none"> - Royal Decree 1776/1981 – Agrarian Transformation Societies - Law 27/1999 – Cooperatives, Social Initiative Cooperatives, Mixed Cooperatives - Law 1/2002 – Associations - Law 50/2002 – Foundations - Royal Decree 1420/2002 – Mutuals - Law 44/2007 – Social Integration Enterprises - Law 3/2011 – Fishermen’s Guild - Law 44/2015 – Labour Societies - Law 21/2015 – Employment Integration Enterprises - Special employment centers (1/2013, revised 9/2017) - Royal Decree 1/2013 on the Rights of Persons with Disabilities and their Social Inclusion - Royal Decree 1993/1995 – Mutual Societies for Work Accidents and Occupational Diseases of the Social Security 	- Strategy on Social Economy 2017- 2020
Sweden		<ul style="list-style-type: none"> - Economic Associations Act (1987, revised in 2018) - Foundation Act (1994) 	- Strategy for Social Enterprise and Social Innovation (2018)
Non-EU Countries			
United States		- Statutory Public Benefit Limited Partnership (SPBLP)	
United Kingdom		<ul style="list-style-type: none"> - Industrial and Provident Societies Act (IPSA) (1965) - Co-operative and Community Benefit Societies Act (2014) - Companies Act (2006) - Company Limited by Guarantee (CLG), Company Limited by Shares (CSL), Community Interest Company (CIC), Public limited company, Private limited company - The Community Interest Company Regulations (2005) - Charities Act 2011 - Charitable Incorporated Organisation (CIO) 	- Social investment: a force for social change - UK Strategy 2016



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Brazil	<ul style="list-style-type: none"> - General Law of Cooperatives (1971) - Federal Constitution (1988) - Law No. 9.637/1998 – Social Organisation (OS) - Law No. 9.790/1999 – Public Interest Civil Society Organisation (OSCIP) - Law No. 9.867/1999 – Social Cooperatives - Civil Code (2002) – Associations, Foundations, Cooperatives - Law No. 12.101/2009 – Nonprofit Organisations granted with a Certificate of Beneficent Social Assistance Entity (CEBAS) - Law 130/2009 – Credit Cooperatives - Law 12.460/2012 – Worker Cooperatives - Law 13.019/2014 – Civil Society Organisations 	<ul style="list-style-type: none"> - National Strategy of Impact Investment and Social Business ENIMPACTO (2017) - National Policy for Solidarity Economy (Bill 6606/2019, not approved yet) – defines the status of Economic Solidarity Ventures.
India	<ul style="list-style-type: none"> - Societies Registration Act (1860) - Indian Trusts Act (1882) - Waqf Act (1995) - The Multi-State Co-operative Societies Act (2002) - Companies Act (2013) – Section 8 companies - Foreign Contribution Regulation Act (FCRA) (2020) 	
Canada	<ul style="list-style-type: none"> - Insurance Companies Act (1991) – Mutuals - Credit Unions and Caisses Populaires Act (1994) - Canada Cooperatives Act (1998) - Not-for-profit Corporations Act (2009) – Associations - Non-profit Law (2012) – Non-for profit Organisations, Charitable Organisations, Foundations - Community economic development (CED) charities (2012, revised 2017) 	
Korea	<ul style="list-style-type: none"> - Agricultural Cooperatives Act (1957) - Fishery Cooperatives Act (1962) - Credit Union Act (1972) - Consumer Cooperative Act (1999) - Social Enterprise Promotion Act (SEPA) (2007) - Special Act on the Improvement of Quality of Life for Rural Communities (2011) - Rural Community Enterprise Scheme - Framework Act on Cooperatives (2012) - National Basic Living Security Act (2012) – Self-reliance Enterprises - Special Act on Promotion and Support for Urban Regeneration (2013) – Community Enterprises 	



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Mexico	<p>- Social and Solidarity Economy Law (2012, latest revision in 2019)</p>	<ul style="list-style-type: none"> - Federal Civil Code (1928, revised in 2021) – Civil Societies and Associations - Law of Limited Liability Societies of Public Interest (1934, revised in 2012) - Law of Social Solidarity Societies (1976, revised in 2018) - Social Assistance Act (2004, revised in 2021) and Law for the Promotion of the Activities carried out by the Civil Society Organisations (2004, latest revision 2018) – Foundations, Charities, and Trusts - Law of Agricultural and Rural Insurance Funds (2005) - General Law of Cooperative Societies (2009, latest revision in 2018) - Agrarian Law (2012, latest revision in 2018) – Ejidos, Communities, Rural Production Societies, Rural Associations of Collective Interest 	
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