

NATIONAL INNOVATIVE HEALTH TOURISM AND ENTREPRENEURSHIP

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Abstract

Entrepreneurship has different explanations through literature. Literature shows that it is important to examine the economic growth as a consequence of entrepreneurial activities. Countries indeed implement different policies in fostering entrepreneurship and these are different according to the national industrial and economic policies. Through interactions between institutions for increasing the innovative performance of a country, entrepreneurship could be located at the center of innovative activities. This is because the main objective of this paper is to discuss whether entrepreneurial activities are fostered by National Innovation System.

Introduction

The real meaning of the term “Development” has been discussed deeply in the literature and there is a consensus to associate this term to the countries that not only has growth in their economies or increase at their income levels, but also the level of knowledge embodied in all of their productive structures. In the current era of knowledge, investment in research and technological development (RTD) activities is one of the most critical factors to realize the transformation of productive structure.

Several theories and models have been postulated since the last 30 years to understand the innovation process and achieve competitiveness in the market. The understanding about this process evolved from classical linear models to the system approaches and the importance of the interactions within a system of innovation is underlined as a critical factor of success. There are several successful examples of national systems of innovation in the world and most of these examples include a good set of institutions, actors, policies, rules and incentive structures whose interactions create, diffuse and exploit new technologies.

Being in a knowledge driven economy, bringing innovation into the market is crucial. As knowledge plays an important role in economic development, Bascavusoglu (2008) stated that knowledge provides incentives for entrepreneurs and ultimately a higher return from commercialization

of new ideas. Knowledge production has close links with the investments in innovative activities. Thus, entrepreneurial activities are said to be important in the knowledge creation cycle today. In parallel, it is stated in OECD (2002b) that if there was an increase in entrepreneurial activities in a country, there would be high economic growth rates and low unemployment rate.

Generally speaking, entrepreneurship as a learning path that enables people to turn ideas into defined projects to be implemented. Shane (2003) argued that there had been people engaging in entrepreneurial activity who were associated with certain individual characteristics. It is the national innovation system (NIS) that provides a country to properly implement the entrepreneurial policies in order to encourage individual and firm entrepreneurship. Golden, Higgins and Soo (2003), stated that successful entrepreneurial cultures encourage people to attempt to create new ventures for generating knowledge via innovation to a commercialized good. Access to venture capital, firm entry to the national market, firm exit in case of bankruptcy and together with policies providing interactions among institutions could encourage entrepreneurship.

There is a contribution of entrepreneurship and innovative developments to Health Care sector in which it is tightly related with tourism and innovation. By the beginning of ancient era and until now, health seekers have always looked for alternative ways and have tried to find treatments in any place or any location where the treatment is. Today, by the development of new technology and medical sector, health seekers contribution to mobility is bigger than ever in which increases the

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size and changes shape and aspects of health tourism sector gradually. Therefore, innovative services have a great impact on health tourism which has created a phenomenal enhancement in human mobility worldwide.

Together with the above mentioned issues regarding entrepreneurship and its relation to NIS, and health tourism the paper begins with the discussions on the concept of entrepreneurship and its role in NIS. The extent of linkages between entrepreneurship, health tourism and NIS will be further analyzed in order to show how they can be integrated. Then, Turkish entrepreneurial activities will be examined from the NIS perspective. In the last part, policies for entrepreneurship both for Turkish and other countries' NIS will be discussed in order to provide insights for future research.

INNOVATIVE HEALTH TOURISM

Healthcare or seeking for cure is a robust industry which has strong ties with many other sectors. There is a tight connection between tourism and travel, wellness and information technologies as well as communication. New form of health care sector aligned with travelling has created prominent movement in healthcare or in other words healthcare tourism. There is an increase in human mobility due to increase of health tourism. As it stated: "health tourism" or "medical tourism" is in use since 17th century (Yusof et al., 2019). In addition to this definition health tourist, is described as tourist who travel elsewhere to seek and receive health, medical and/or wellness services for different reasons.

Health care is an ongoing process which has always been interacting with new developments on medical technologies (Allen, 2019; Lobo, 2020). Although there are always new developments to health seeker, treatments and demanding for new treatments are not always at the same or preferable location with it. Now there is a new era in which health tourism slowly continues its integration with the need for sophisticated and cultivated medical treatments and treatment devices especially the personalized ones (Bhattacharyya, 2020; Hong, 2016; Medical Technology, 2020). Hence, The Industrial Revolution 4.0 (IR 4.0) is a broader term which is intensively talked about in this current technology-dominated economy.

Entrepreneurship and its role in NIS

Generally speaking, entrepreneurship is neglected in the literature on national innovation systems (NIS). For the last decade, the issue is

located in the centre of studies on NIS. Research on NIS was widely common and inspired by the Shumpeterian economic development and research on entrepreneurship and NIS was based on Shumpeter's definitions and concepts that the innovating entrepreneurs were primarily perceived as strong individualists.

Drucker (1985) described entrepreneurship as a behavior rather than a personnel property and based his statement on Schumpeter's (1949) description about entrepreneurship saying that it was not a physical person; instead, it was function of activities. Radosevic (2007) treated entrepreneurship as a dimension of NIS when dealing with the issue on national level. It has been clearly stated from the literature that there is no significant effect of entrepreneurship on economic growth since every country has its own properties socially, culturally or technologically in order to foster entrepreneurial activities. Bascavusoglu (2008) depicted that if there is positive impact of entrepreneurship through mechanisms such as knowledge spillovers, enhanced competition or increased diversity, there should be a well established system that provides interactions between institutions. This is because of aiming at making those mechanisms to work properly.

Golden, Higgins and Soo, (2003) stated that coming to a conclusion, for which there is a significant relationship between NSI and entrepreneurship is difficult to draw, based on the comparative studies between countries by examining the strength of NIS and the level of entrepreneurial activity. Activities are subject to change for different countries and the effects will be either positive or negative according to the policies implemented. There should be interactions between institutions in a country. These interactions bring the concept of innovation systems on board for easing entrepreneurial activities. Together with the above mentioned reasons, national innovation systems concept is located at the heart of the discussions regarding entrepreneurship. In literature, these two concepts were considered as separate issues. Radosevic (2007) was the only main researcher to combine the concepts of entrepreneurship and NSI under the same framework and clearly depicted that entrepreneurship is linked with NIS. From the NIS perspective, he stated that technological, market and institutional opportunities are the three aspects of systematic entrepreneurial approach.

In literature, there has been not much research on measuring the effect of entrepreneurship on economic activity of a country and the linkage with

NIS. OECD (2000) provides guidance for assessment of entrepreneurial activity in national economies and statistics about the percentage of self employed people in an economy. It is also important to include the share of SME's among the total firms in the economy and also the productivity of these firms as a percentage of total productivity in measuring entrepreneurial activity. According to Radosevic (2007), it is NIS that performed the entrepreneurial activities to enhance innovation capabilities of a country. This is why each country exploits several and different opportunities for entrepreneurship.

Entrepreneurship in Turkish National Innovation System

Turkey has witnessed a large leap forward in the public and private investment to research and technological development (RTD) activities in the last 6-7 years. The public expenditure on research and development (R&D) increased dramatically and more importantly, the share of private sector expenditure is now more than the public sector's. Moreover, many technological development centers established and the interactions between the industry and universities were enhanced through the introduction of some successful techno-parks. National regulations have been improved to support the conduct of RTD activities and Turkey is now a much more attractive location for performing R&D. There is an important increase in the volume of foreign direct investments in R&D and incoming researchers from abroad.

As a consequence of these recent developments, the knowledge assets in the Turkish innovation system are growing. However, there is a great need to turn these knowledge assets into commercial products and services in order to achieve a higher growth in the economy. The main problem is the lack of commercial financing in the form of venture capital funds to leverage these knowledge assets. Several attempts have been made to create techno-entrepreneurship and venture capital funding mechanisms but the progress is still slow when the knowledge potential is considered. Technology and innovation based growth of Turkish firms and the realization of ideas of entrepreneurship needs to be triggered with strong incentives and with the introduction of new financing and mentoring actors in the national innovation system.

It is stated in the OECD (2000) that business start-ups and business creation are closely related with entrepreneurial activities. This is why Bascavusoglu (2008) based her research on

entrepreneurship and its relation with small and medium sized enterprises (SMEs). She found in her study that total entrepreneurial activity in Turkey is 6.07 for 2006, which is below the overall average dedicated in Global Entrepreneurship Monitor (GEM, 2006). She also stated that education policies on entrepreneurship are not adequate and there were not enough consulting services for entrepreneurship. She clearly stressed on the positive attitude towards entrepreneurship in Turkey. This attitude was also highlighted in the 23rd Supreme Council of Science and Technology and stated that future policies would be implemented in order to foster the entrepreneurial activities. Turkish entrepreneurs' individual motivation and desire to earn more money clearly stated the importance of entrepreneurial activities in Turkey.

The opportunity space in Turkey about entrepreneurship through innovation is quite large. Firstly, there is a great need to establish new venture capital funds, which will focus on the technology and innovation based growth of firms. Secondly, there is a large knowledge accumulation process in the universities and research organizations with the help of the project based public supports in the previous years. Moreover, there are many prominent researchers who have just returned back or considering doing so from abroad which are said to be knowledge locations, such as United States and Europe. Another opportunity is the decreasing of innovation opportunity space in large economies and thus the increasing investment potential in the emerging economies. The innovative potential of Turkey is attracting the attention of the foreign capital and it will attract more in the near future.

In this context, the financing of entrepreneurship and innovation in the form of venture capital funds or similar mechanisms is required but not sufficient condition to achieve success in the competitive markets in Turkey (Bascavusoglu, 2008). The organizational capabilities need to be developed in order to manage the overall process. Organizational capabilities not only include the innovative capabilities but also other critical activities for success such as; a realistic business plan, competitive and robust product development, comprehensive marketing strategy, sales and distribution, management capabilities, formation of teams, cash flows and financial planning, and overall collective control within the firm. Also, from the NIS perspective, Bascavusoglu (2008) found out that market and technological opportunities did not

has much impact on entrepreneurial activities, instead, institutional opportunities such as policies for access to finance had greater impact on entrepreneurship. She also stated that Turkish NIS is not well developed and thus implemented for entrepreneurships.

Many professionals and scholars state that the success of entrepreneurship depends more on the factors above rather than the product or the technology itself. At this point, entrepreneurial mentoring schemes can have great positive effects for innovative enterprises. There are many successful mentoring examples in the world and they mainly focus on enhancing the organizational capabilities of the start-ups. Such mentoring schemes not only provide benefits to the start-ups and spin-offs, but also other enterprises at any stage for their economic growth. Therefore, some countries such as United States implement different mentoring services for different stages of firms. Turkey is in the phase of fostering these activities today and policies are set for easing entrepreneurship activities in the 2011-2014 Turkish Industrial Strategy Document and 2011-2013 SME Strategy and Action Plan.

Besides the venture capital mechanisms, Turkey greatly needs these mentoring schemes particularly for the early stage micro enterprises, university spin-offs and SMEs for their entrepreneurial activities (2011-2014 Turkish Industrial Strategy Document and 2011-2013 SME Strategy and Action Plan). A set of topics for a possible mentoring service in Turkey may include; identifying opportunities, analyzing new business areas, identifying potential users, overall marketing process, developing new managerial skills, enhancing networking capabilities, improving trade capabilities, etc.

The SMEs, start-ups and university spin-offs in Turkey also need match-making assistance in doing business (2011-2014 Turkish Industrial Strategy Document and 2011-2013 SME Strategy and Action Plan). Match-making for business activities are often costly and require time and resources. It is therefore quite important to provide a proper match-making service to these firms and help them in finding investors for their innovative business. Match-making services are complex as it requires identifying the needs of the firm and promoting the firm properly to the potential investors. Potential investors are always receiving offers from many other firms and therefore the critical success factor in the match-making process is to make the firm attractive for the potential investors. Contact management and social relations are also

important in the investment decisions and thus, creating trust among investors will contribute to the attractiveness of the firms.

Conclusion

According to Golden, Higgins and Soo (2003), number of SMEs and their proportion in the total number of firms in a country, percentage of adult population engaged in start-ups, new firm entry in the economic environment in a country, venture capital funding for entrepreneurship, firm exist from the economy are measures for the level of entrepreneurship within the boundaries of NIS in a country. Findings of their study suggest that entrepreneurial activities did not seem to be successful as NIS. There was not a significant relationship between entrepreneurship and NIS. This conclusion was in parallel to the findings of Peng and Lee (2002). On the other side, state policies for reducing the barriers for new firm entry to the economy, enforcing entrepreneur friendly bankruptcy legislations for easing exit process and also protection of most promising industrial sectors for entrepreneurs will provide entrepreneurial development and foster entrepreneurial activities in a country. This could be the same for Turkey. In 2011-2014 Turkish Industrial Strategy Document and 2011-2013 SME Strategy and Action Plan, it is clearly stated that development of SME and entrepreneurship activities are the main objectives together with policies in finance, technology and competitiveness. As the entrepreneurship is in the agenda of future economic development policies, above mentioned policies could be a good starting point for Turkish entrepreneurs in order to easily enter the national activities.

It can be easily stated from the literature that R&D institutions and universities are not the only organizations that generate innovation. Economic performance of a country is also related with the economic activities of a specific country. Policies in a country are more focused on innovation policies. Educational policies can also be in the heart of NIS. Human resource development is necessary for a country provided with sufficient infrastructure is crucial for entrepreneurship activities.

Together with Shumpeter's statements on NIS and entrepreneurship, it should be taken into account that there is a relationship between entrepreneurship and NIS mostly related with the implementation of state policies on this issue. National policies change according to the national future strategies with respect to their policies expectations. As a conclusion, it is clearly stated that there is no dedicated measurement method

for the level of entrepreneurship and its relationship with NIS and this issue will be further analyzed.

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