Social Investment: Global Trends and Implications for Turkey

by
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More information on SIMP and other blogs are available on www.socialimpactmarkets.org.

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Introduction

During my 2012-13 Mercator-IPC Fellowship at the Istanbul Policy Center, Sabanci University, I carried out research on social entrepreneurship, social investing, and the role of government, with a specific focus on the climate change sector. My results were mainly published on the project site (www.socialimpactmarkets.org). This document aims to make the results of my research accessible to a wider audience.

Social investing and building markets for social and environmental impact is a new field in Turkey. The project explored global trends in this area as well as implications for Turkey. This document includes three blog entries posted on May 31, 2013, as part of a blog series on social investment:

Blog 1: Social investment - Much excitement around the world (Section 2)

Blog 2: Social investment - What is happening in Turkey in this field? (Section 3)

Blog 3: Social investment – Moving from ego-system to eco-system - or what you can do ! (Section 4)

The document also includes two other blogs related to this topic posted on February 14, and 1 February 25, 2013:

- About uperheroes and why we should look beyond individual firms (Section 6)
- Diaspora investing: How to engage the Turkish diaspora for social impact? (Section 5)

The project also included a presentation.

Blog 1: Social investment - Lots of excitement around the world

May 31, 2013

Innovations in social investment

Something exciting is happening in many countries around the globe: business moves beyond a sheer focus on profits; governments cooperate with the private sector and civil society in new partnership models; civil society organizations experiment with entrepreneurial approaches; and we see hybrid organizations emerging that comfortably integrate concepts from different sectors to make a lasting change in society.

Whether they are called social enterprises, social businesses or impact enterprises, whether in Europe, the US, Latin America, Asia, or Turkey, these organizations are often caught in the middle when they search for funding opportunities. As social mission organizations they realize that traditional start up or SME finance may not be aligned with their objectives. Furthermore, a traditional angel investor or venture capitalist himself would not consider those organizations a particularly attractive financing target due to lower and volatile margins, longer times to scale, and in the case of SME lending, lack of collateral and credit history.

Globally, new funders and investors providing innovative products and services are emerging to respond to the specific needs of such hybrid organizations.

A discussion on social investment can be broad depending on one's perspective and definitions. Social investment as I have defined it here focuses on the deployment of capital in organizations and other structures with the explicit intent to create a social and / or environmental impact (positive screening), in addition to repayment of some or all of the finance provided, or a financial return. Social investors will often accept lower financial returns in order to generate greater social impact, even though some in the blended value community reject the notion that such trade-offs exist and are necessary. Instruments may include debt, equity, bonds , which is sometimes used alongside other instruments such as guarantees or underwritings.

Social investments may include a Muhammad Yunus type social business investment, whereby the investor gradually recoups the principal but does not earn dividends, or impact investments, which aim at achieving a social impact beyond financial returns (sometimes even at market rates). For some active grant funding by a venture philanthropist is included in the definition of a social investment.

Recent innovations in social investment are different from socially responsible investing or sustainable finance, which is mostly understood as investors encouraging corporations to improve their practices on environmental, social, and government (ESG), and to minimize negative impact (negative screening). Social investment also goes beyond corporate social responsibility (CSR) in that the impact is a core rather than a side activity of a business, and engagement philosophies are different from traditional CSR or grant making approaches.

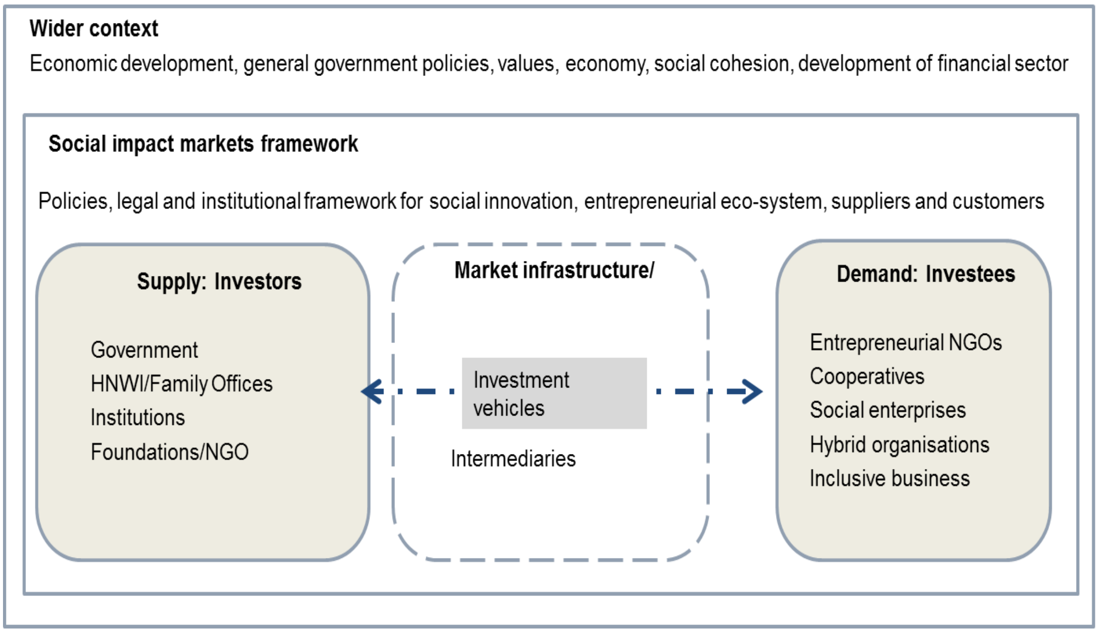
Attractive for different kinds of investors

Investments for social impact were once of little interest, in particular to the private for-profit sector. This has now changed partly due to the acceleration of the global financial crises in 2007-2008, related pressure on government budgets and the search for purpose and value creation among investors. Accordingly, in the past years, asset managers are observing an increased demand from asset owners for investments that not only minimizes ESG risk but actively creates social and environmental impact. Increasingly, the corporate world has realized the huge market potential of low income communities as consumer, supplier, and partner that have formally been ignored (Bottom of the Pyramid (BoP) and Inclusive Business), as well as opportunities for diversification. Philanthropists see social investments as a way to increase their impact and to contribute to the creation of a new field, whereas governments seek to attract additional resources for developments that contribute to social innovation.

New players in social impact markets

Similar to 'normal capital markets' social investors (supply side) and social ventures (demand side) do not act in isolation, but are brought together by intermediaries offering a range of products and services (market infrastructure). As such they are part of a wider system of institutions, procedures and social relations and have to be considered in the country specific context. This is what we defined as social impact markets.

Figure 1: Social impact market



Social Impact Markets (2013), based on Impact in Motion (2013).

A look around the world shows the wide range of organizations that are needed to facilitate the flow of capital and non-financial resources in social impact markets. Many were only established in the past few years as this field became more mature. Who are these new players? Below are a few examples to illustrate the diversity of organizations involved (although categorization is difficult):

- Providers of finance include social value banks (e.g. GLS Bank in Germany, Triodos Bank), social investment banks (e.g. Big Society Capital in the UK), social stock exchanges (e.g. in London, Singapore), and an increasing number of accelerators (e.g. Village Capital), social venture, and social investment funds (e.g. Acumen Fund, LGT Venture Philanthropy, Willow impact, Social Venture Fund) to name a few.

- Other intermediaries in the market infrastructure include social enterprise support organizations (NESst, UnLtd), investment 'match making' advisors (D-Capital Partners, Total Impact Advisors), product developers (Social Finance), angel investor networks (Clearly Social Angels, Toniic), rating and impact measurement, reporting (Phineo, GIIRS), event organizers (SOCAP Conference, Skoll World Forum), think tanks (NESTA, Insight PCV) or even HR executive research firms (talents4good).

A quick look at international trends

There are a few international trends in this field that I believe are relevant for Turkey:

- **Trend 1- Philanthropy in transition:** In the past 10-15 years high-net worth individuals and foundations have been rethinking their philanthropic strategies towards more active, longer term, higher risk engagement with social organizations, the provision of non-financial support such as mentorship, as well as performance based investing.
- **Trend 2 – Towards collaborative finance:** There is an increase in the recognition that 'no one can do it alone', hence the emergence of co-investment, pooled financing and layered or hybrid financing structures, bringing together investors with different risk / return profiles. Leveraging on philanthropic or government financing and innovative financing structures are i**ncreasingly attracting mainstream capi**tal for social impact (e.g. the Social Enterprise Development and Investment Fund in Australia).
- **Trend 3 – The role of government:** In recent years much more attention has been paid to the difference a visionary government can make in influencing the development of social impact markets. A well-known sector example for a recent public sector social investment innovation is the social impact bond in the UK (see our blog series on the role of government, part 1 on the rationale for government intervention).
- **Trend 4 – A strong expectation for impact and accountability:** Social investors are asking their fund managers and organizations in their portfolio to account for performance and social impact. At both national and global levels attempts are being made to standardize and harmonize impact measurement and reporting standards to increase market efficiency and transparency (e.g. international Impact Investing Reporting Standards IRIS developed by Global Impact Investing Network, social reporting standards SRS in Germany).
- **Trend 5 – The power of diaspora investing:** With the wish to engage in the development of their 'home countries' beyond traditional grant making, the diaspora is emerging as a new player in the global social investment field (see my recent blog on diaspora investing).

Blog 2: Social investment - What is happening in Turkey in this field?

May 31, 2013

Financing an important barrier for most social and green entrepreneurs

Despite impressive significant economic progress, Turkey still faces significant social and environmental challenges. In the newly released 2013 OECD Better Life Index, for example, Turkey ranks low in a number of topics such as quality of education, social cohesion, employment, or pollution.

In addition to more established social enterprises profiled in the case studies here (unfortunately still only available in Turkish) a new generation of young social entrepreneurs has quietly started to work on some of these challenges making extensive use of technology and social networking platforms.

The social and green enterprise survey we carried out in early 2013 demonstrates that access to finance constitutes Turkey's social enterprises' major concern, in particular in the start-up phase. In one of the interviews with a young entrepreneur I was told:

> *"I spent two years talking to people having the same conversation over and over again about my idea and everyone has turned their back. [...] I can't tell you how many aid organizations did not want to support us because we were not a non-profit and how many investors did not want to support us because we were too socially oriented. " Interview 4*

We also found that respondents, even the more established organizations, are rather small (40% earn less than EUR 40,000 in annual revenues) and only few appear to have active strategies for growing the organization and scaling social impact. Interestingly, though, that more than half of respondents reported that they earned enough to cover their costs or expected to break even in the next 1-4 years (on average); 34% actively sought repayable finance or investment and39 % were 'interested to learn more' about alternatives to traditional grant financing. The required financing amount though, is significantly smaller than what traditional venture capital firms in Turkey would invest in entrepreneurs i.e. below TL 500,000 TL (EUR 250,000) for 43% of respondents.

The project also looked at impact measurement and reporting: More than half of respondents (52%) do not collect data on social impact performance on a regular basis. Forty-two per cent stated that they published reports on social or environmental impact. However, we found from our one-on-one interviews and the few impact reports we had access to, that few organizations make their reports publicly available or provide information on their financial accounts. Many report on their activities and the number of beneficiaries reached (e.g. number of participants in a training) rather than outcomes or impact (e.g. how did participants use the training to improve their wellbeing, access to opportunities, economic growth etc). You can get more information on the survey and download the survey results from our website.

Lack of interest from social investors

Amongst the intermediaries that emerged recently to support these social ventures two are particularly noteworthy: the Social Change Lab at Özyeğin University supported with CSR grants from JP Morgan Turkey and m-spark, an accelerator program for mobile social innovation launched by the co-founders of Galata Business Angels, a Turkish business angel network.

Most potential social investors such as large Turkish corporate or family foundations, high net worth individuals or business angels, however, are unaware and have not shown much interest in this field as my research including numerous (sometimes unsuccessful) interview attempts confirms.

I also interviewed a number of well-established social investment funds, venture philanthropists and support organizations outside of Turkey to identify:

- How impact investors take their decisions to engage in one country and not in another, and
- How they perceive Turkey as a social investment destination.

I carried out these interviews because I was curious to find out why the international social investment community has so far been completely absent in Turkey (besides development financing institutions such as KfW, IFC, EBRD of course, which however, mostly do not cover social ventures that we analyzed here). This is despite a significant increase in available funding for social impact globally and increased social investment activities in countries with an economic level of development comparable to Turkey such as Brazil, Mexico, or India.

I found that international impact investors were more opportunistic about their expansion strategies than I had initially thought. Many told me that they decided to engage in a country if there were interesting opportunities – and if they had made one or two good local contacts. In fact, the main reason why my interview partners had not engaged in Turkey thus far is that Turkey "is not on my radar screen so far" followed by a "lack of suitable partners and market data." I also discussed various scenarios under which, my interview partners would consider to engage in the Turkish social impact market ranging from advisory support to co-investment.

For results of this work see: www.socialimpactmarkets.org/international-impact-investors/

Blog 3: Social investment – Moving from ego-system to eco-system - or what you can do!

May 31, 2013

A vision for market development

We need to look at this field as a new market or new industry that needs to be developed over time. From that perspective we need to ask ourselves: What is our vision for this market? How should a mature social impact market look like in Turkey in 10 to 15 years? What kind of players, products and services do we need and how would such a market function in practice?

Figure 1: Social impact market development

1. Uncoordinated innovation	2. Marketplace building	3. Growth	4. Maturity
Sporadic entrepreneurial activities Pilot projects	More players, higher scale Diverse business models Market infrastructure developing	Mainstream players enter Organisations become more specialised and professional Impact at scale Collaboration across sectors	
Financing: Philanthropic capital, (government)	Financing: Philananthropic, government capital	Financing: Hybrid financing Institutional & mainstream capital	

Based on Monitor Institute (2009): Investing for Social Impact, p. 12

Currently, with a few sporadic activities by entrepreneurs and intermediaries, the acute lack of social investment capital, and perhaps more importantly lack of reform champions, Turkey is still at a phase of 'uncoordinated innovation' (see figure 1 above). What can be completed to move to the next phase of 'market building'? Firstly, we need to break out of the 'chicken and egg' cycle. The few potential social funders or investors I spoke to, who showed some interest in investing for social impact, argued that there was no "deal pipeline" or "trustworthy organizations" and virtually no reliable and competent partner to support the investment process. Without access to finance however, social organizations are less likely to successfully launch their idea, sustain their operations overtime and grow, which makes investment in this field more and more unattractive.

I see a point in the argument made in this context by Sir Ronald Cohen, a Egyptian born British venture capitalist in the 1970s and a social investment pioneer since the beginning of this century that "supply of money creates its own demand", i.e. if we supplied the right kind of financing the development of social organizations would follow. In reality, it is probably a mixture of interventions both on the supply and demand side. However, we should not wait with attracting social investors who are ready to put their money in social innovations until we have a long list of 'investment ready' deals to present to them.

Secondly, we need to support social ventures not only with a view to help establish investment ready enterprises but also with a view to supporting their potential as pioneers to create benefits on market building beyond the direct impact of their organization. A social venture, for example, that establishes an innovative partnership agreement with a government agency lowers the barriers for other social ventures to work in a similar arrangement. Similarly, many entrepreneurs first educate the market before they are able to offer their goods and services thus helping to prepare the future market for their peers.

Figure 2: Total social impact of a firm

Total impact of organisation	=	Direct impact of organisation	+	Market level impact of organisation

Social Impact Markets (2013) based on: Omidiyar Network (2013): Priming the pump for impact investing (part 2 of SSIR blog series)

Thirdly, we need to engage and build market intermediaries such as think tanks, education initiatives, impact measurement agencies, funding or matchmaking platforms. By providing market information, increasing transparency, raising awareness, and connecting and educating players, these organizations are essential for the flow of capital and the ability of social organizations to make absorb capital at different stages of their entrepreneurial life cycle. In practice, however, the importance of the work of intermediaries has still not been fully recognized in Turkey (neither in most other countries, in fact). Why? For many philanthropist and support organizations it still seems more attractive to support and invest in a specific social organization that provides direct benefits to, for example, women or children than to help start a networking platform, support an accelerator program let alone fund research or public policy consulting.

So what can you do?

If you are with a government agency: The Turkish Government can potentially play a critical role as enabler, convener or contracting agency (see more on the rationale for government intervention in this blog here, a proposed framework for government intervention here, and policy options here).

In addition, I also see an important role for philanthropy including foundations, high net worth individuals or angel investors to contribute to the nascent social impact market in Turkey. Furthermore, few of the corporations in Turkey have so far explored the market potential for inclusive businesses and strategic social venture investment.

Philanthropic support to existing initiatives

A 'social investor in spe ' could support the existing organizations and initiatives with a small amount of pilot funding and time in order to get to know players and market needs. This may include, for example, support of an existing accelerator program, a social venture competition, a social entrepreneurship fellowship program, a research project, public awareness or an education and training initiative. In the long term, the social investors could develop its own social entrepreneurship or social investment program in partnership with external organizations operating in this field (see for example the social entrepreneurship programme of Vodafone Foundation in Germany).

A social investment fund for Turkey

At the Euro-Asia Social Business Conference in Istanbul this month Professor Muhammad Yunus called for the establishment of a Turkey Social Business Investment Fund, since 'social business not only needs good ideas but structure'. A social investment fund could indeed attract significant funding from organizations and individuals who would like to invest for social impact but who do not have the capacity and the means to develop their own investment vehicle. It allows for synergies and professional management (if the fund manager is well chosen) while ensuring strategic oversight by the board or investor committee. In my view the objective and design of such a 'Social Investment Fund' should be explored further in a kind of feasibility study. Questions to be discussed in such a study include:

- Objectives and target: What are the market gap and the objectives of such a fund? Which kind of organizations do we want to target? For which phase in the entrepreneurial cycle (start-up, growth finance)? Should there be a focus on certain sectors? (Maybe to accommodate investors with a preference for environment, social justice, or technology sectors),
- Products: What kind of financing should be provided (grant, debt, equity, or a combination of both, guarantees); should there be a technical assistance component?
- Fund management: Who could be appointed as a fund manager and how should the fund manager be remunerated and incentivized?
- Investors: What kind of investors do we want to attract? Should government or development financing institutions be involved? What is the minimum RoI expectation (if at all)? Do we want to provide for investors with different risk/return profiles?
- Legal: what are the legal barriers for such an investment fund under Turkish law? What are other possible structures and possible host countries outside Turkey?

Social business angel networks

A business angel could mobilize his or her colleagues to place capital in social enterprise start-ups and to establish a social angel network to screen opportunities and provide a platform for joint learning and exchange of experience (e.g. see examples of an impact investing angel network in Sweden or Clearly Social Angels in the UK).

Corporate social investing

In my view, corporate sector social entrepreneurship program should be strategically linked to the core mission of the business. For example, a CSR department of a financial institution may design a support program for social entrepreneurs with a view to developing a pilot loan program to social entrepreneurs as a learning investment for future product development.

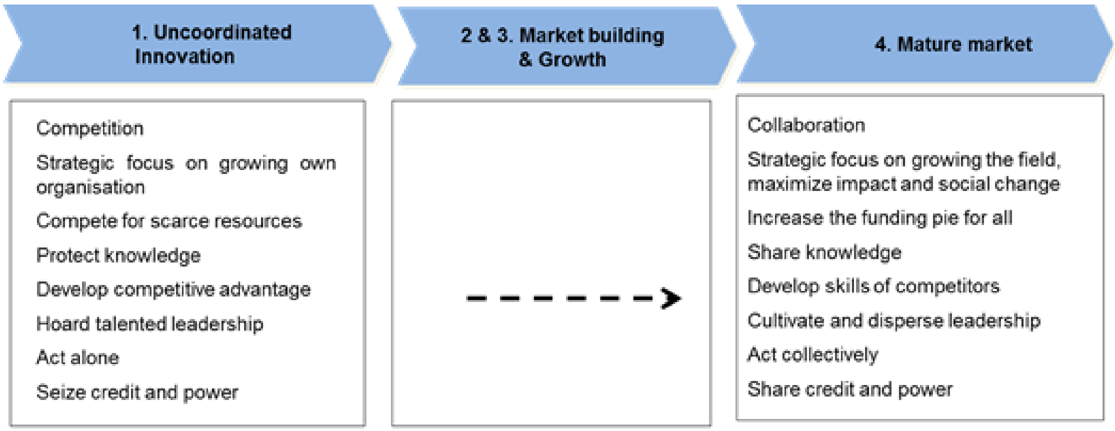
With half of the population in Turkey unbanked or underserved with financial services there seems to be a significant demand for microfinance services, that the two microfinance institutions in Turkey are unable to satisfy. Why (despite DFI funded projects such as SELP II or MSME) do not more financial service providers offer microfinance services to less affluent customer segments in low income regions? A master student found in her 2013 master thesis that the reasons were “inertia”, “complacency”, “lack of awareness” and “internal capacity constraints” within major commercial Turkish banks. The social impact of such a product as well as the reputational gain would be significant if such products would be offered on a financial sustainable basis and became part of mainstream banking operations rather than a short term CSR project.

There is also role for the corporate sector other than the financial service sector. A communications company, for example, may engage in a strategic partnership, licensing agreement or joint venture with a social venture to develop and distribute communication products for an unreached market segment (e.g. women, eastern Turkey) or invest in a social venture that has aligned interests. For example, Intel Capital invested in Altobridge, a provider of affordable mobile voice and internet connectivity to unconnected communities. Furthermore, internationally there are many examples of large corporate businesses investing in social investment funds to promote their own corporate interests in addition to doing good (e.g. Starbucks in Root Capital, a social investment fund financing smallholder farmers or Cisco in Aavishkaar, an Indian Social Venture Fund).

Moving from ego-system to eco-system

None of these approaches are going to work if we do not move from a mind-set of ‘ego-system’, where individuals and organizations create their own (small) kingdoms to an enabling social impact market eco-system, where we share information and connect beyond our traditional institutional and personal boundaries. Figure 3 illustrates the necessary shift in mind-set and behavioral patterns.

Figure 3: Building fields for policy change



Based on: [Bernhold, W. (2010): Building fields for policy change].

Blog 4: Diaspora investing: How to engage the Turkish diaspora for social impact?

February 25, 2013

Are you a global nomad, a third culture kid, a bi-national, a migrant? Or your parents are? Then you are in good company. Globally, around 215 million people live outside of their country of birth. A much higher number of individuals were born and raised outside their parents' home country. Many are transnationals with personal and professional ties in their 'host' countries and their 'home' countries, being both 'here' and 'there'.

Much is happening globally

Development financing institutions, social impact investors and support organizations are starting to think about how to harness the commitment, skills, and financial means of the diaspora community to contribute to the development of their home-country. Here are some examples:

- Ashoka recently launched Ashoka's Global Diaspora Initiative
- The US development finance institution OPIC is partnering with African diaspora communities in investments on the African continent.
- The philanthropic investment firm Calvert Foundation is currently thinking of ways to engage U.S.-based diaspora communities such as Mexico's and the Caribbean's to invest in their countries of origin by providing loans to local partner institutions through a dedicated fund.
- The US development agency USAID supports the International Diaspora Engagement Alliance (iDEA).
- Members of the diaspora themselves are actively mobilizing their peers and engaging with their home countries through philanthropy, venture capital, and social investment strategies. Technology helps to connect despite significant geographical distances and time zones.
- The World Diaspora Fund, an investment vehicle developed by the West-African Diaspora, invests in Microfinance Institutions in Africa promising repayment of principal and a decent return.
- Give2Asia, a social enterprise, serves as a catalyst for philanthropic investment in social organizations in Asia.
- Several initiatives focus on entrepreneurship development in home regions of diaspora communities: VC4Africa, a fast growing social network for investors and entrepreneurs with currently over 10,000 members; IntEnt helping migrants to the Netherlands start businesses in their home-country; Zafén, a crowd-funding Haitian diaspora website that provides zero interest rate loans to small Haitian businesses; the Indus Entrepreneurs that started as a dinner group of Indian expats in the US in 1992 and is now a global entrepreneurship organization with more than 11. 000 members in 12 countries worldwide.

- And there are, of course, various volunteering (e.g. see DAV for organizations in the UK) and mentoring initiatives (e.g. mentorcloud).
- Governments in several countries have issued diaspora bonds to engage the wealthy diaspora communities with infrastructure finance (Israel, India) or development finance in the times of crises (Greece).

And in the Turkish diaspora?

With 4.3 million emigrants Turkey is amongst the top 10 emigration countries worldwide (World Bank 2011). Many Turkish emigrants maintain a close connection to Turkey supporting family and friends in their home-country. In 2011, Turkey received a total of USD 1,087 million in remittances mostly from Germany (66%). Smaller total contributions came from France (6%) Netherlands (5%), Austria (4%) but only around 3% from the US and UK.

Many with Turkish roots have never sent any remittances. They rather look for ways to network with people who share similar experiences, to do business, to engage in mentoring and to support social projects in Turkey. There are an increasing number of organizations that cater for these needs: starting with the American-Turkish Society founded in 1949 enhancing business, economic, political, and cultural ties between Turkey and the United States to more recently launched initiatives such as the fundraising platform Bridge to Türkiye, the Turkish Philanthropy Fund, professional women networking organization TurkishWIN, and Alumni Turk.

What is common to the most active Turkish diaspora organizations and initiatives is that they are based in the US. Interestingly, I found it difficult to identify similar organizations in other countries with a high percentage of Turkish diaspora such as Germany, France, the Netherlands, or the UK. I was told that this was because the socio-economic background and therefore their interests and income differed significantly from that of the Turkish diaspora in the US. I was also told that compared to, for example the Indian Diaspora, there was little connection between Turkish communities in different countries – even when people return to Turkey (or arrive here for the first time).

But let's just assume that there were at least some in the Turkish diaspora with great professional experience, networks, financial wealth, and a commitment to contribute to the development of Turkey. Important questions we need to ask are: What exactly are they looking for: what are they ready to contribute (money, time, expertise, networks) and what do they expect to gain from any engagement? How can we raise their interest in the field of venture philanthropy and social investment to match these needs and expectations and make their involvement as convenient and easy as possible? Are there any legal barriers for diaspora investing? And: what can the government do to facilitate diaspora engagement for social impact?

Blog: 5 About superheroes and why we should look beyond individual firms

February 14, 2013

In a recent survey conducted by J.P. Morgan of more than 50 impact investors, when asked about the most critical challenges to the growth of the impact investment, industry respondents ranked ‘shortage of high quality investment opportunities with track record’ as second, only a few votes behind ‘lack of appropriate capital across the risk/return spectrum’ (JP Morgan, Perspectives on Progress, 2013). As policy makers, investors or support organizations we are all looking for the perfect social enterprise, which offers innovative, scalable solutions to achieving social impact – or even the transformation of society. The organization should ideally be led by a charismatic, ethical, and creative entrepreneur, and a great communicator in front of an international audience. Start-ups are not very popular but instead we prefer organizations that have already proven that they are successful in what they do. Many look for organizations that not only generate a massive social impact but also at least a decent return.

But where are those superheroes? In Turkey, we see a growing interest in social entrepreneurship and the number of social ventures (and those that like to define themselves as such) is increasing every year. Yet only few have managed to achieve social impact at scale and are financially sustainable – or even ‘investment ready’. Some participants in a recent social enterprise meeting in Istanbul therefore complained that “we are always talking about the same names”. An investor who had extensively been looking for impact investing opportunities in Turkey expressed his disappointment in a recent conversation: “We have been unable to find social enterprises that are profitable let alone generate a market return”.

This situation is not surprising. In Turkey, social ventures and even more so high-risk, early stage social ventures find it hard to access suitable and affordable finance and support. Furthermore, few players in Turkey recognize the importance of market infrastructure for the growth of this field. Even less are ready to support market building activities such as research, awareness raising, training and so forth.

To quote from an excellent recent blog series by the Omidyar Network, a philanthropic investment firm: “It is as if impact investors are lined up around the proverbial water pump waiting for the flood of deals, while no one is actually priming the pump!” Not only are impact investors are waiting at the pump, but most other players in this field are also it seems.

Why does it make sense to look beyond individual organizations? Because the impact of one organization is always limited to what a single organization can do - even if these organizations successfully scale their operations all over Turkey and internationally such as inspiring Ashoka Fellow Bedriye Hülya with the Sport Centre Franchise Concept for Women B-Fit. Microloans provided by two existing microfinance institutions in Turkey (MAYA and TGMP) have certainly made a difference to their growing number of customers in Turkey (estimated at approximately 100,000 today). However, the number is low in international comparison and also in view of the high number of adults with insufficient access to financial services in Turkey (42 per cent, with a massive gender gap between male and female adults according to World Bank 2012 data).

Therefore, I argue that unless we look at the conditions surrounding existing entrepreneurs or start-ups in the social impact field in Turkey and consider social ventures as elements of a wider eco-system, we will not reach social impact at a grand scale. In a Harvard Business Review article in 1993 business strategist James F. Moore introduced the notion of a business eco-system noting that "even excellent businesses can be destroyed by the conditions around them". The same observation is true for value driven entrepreneurs and social investors.

We therefore need to shift some of our attention towards building and accelerating social impact markets. A social impact market can be defined as a system of institutions, procedures, and social relations, in which parties engage in monetary and non-monetary exchange of goods, services and information for social impact. (Andrew Wolk, 2012). I like to use the term 'social impact markets' for our work because it emphasizes:

- The (eco-) system perspective,
- The need to place the beneficiary and impact perspective at the core of our work,
- The importance of different institutions, their respective functions, and interests as well as the social relations between players,
- The role of procedures, information, and incentives, and
- The plural (market*s* not a market) refers to the existence of several demand-supply relationships that we need to consider.

So what are the key elements of a social impact market that we need to focus on: players, processes, and rules?

What is our vision on how this field should develop in Turkey? What are well-functioning social impact markets, what do we like about experiences elsewhere and how to make them work in Turkey? I will look at some of these questions soon.

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