



Izmir University of Economics



World Chambers Competition 2009
Izmir Chamber of Commerce, Turkey

For the category of:
Best Unconventional Project



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EXECUTIVE SUMMARY

We would like to present our Project "Establishment of Izmir University of Economics" for the "Best Unconventional Project" category. In 2001, Izmir Chamber of Commerce founded Izmir University of Economics (IEU) after ten years of hard work and great determination. Izmir Chamber of Commerce became the first foundation university in Izmir and the Aegean region in Turkey.

The University started with 289 students, the number has grown rapidly in this short period and currently the number of students in the university has reached to 5997. Izmir University of Economics has become a great success and still has prospect of growing further so as Izmir Chamber of Commerce we would like to present our project for consideration and we would like to share this extraordinary experience with our counterparts.

Rapidly developing local economy and internationalization of the world economy showed that without the creation of an internationally oriented labour force, Izmir would be left behind from other economies. This need was identified by Izmir Chamber of Commerce and it lead to the idea of establishing a university. One other important motivation was the long term vision the Chamber has for both its members and city of Izmir.

Establishing a university is an activity, not typically associated with a chamber of commerce. However by establishing a university, Izmir Chamber of Commerce was able to strengthen its members, especially the SME community greatly. The university enabled creation of a strong link between the business community and the academia. This link has resulted in creation of faculties for the areas which the businesses are in need of qualified labour force, provision of practical training to the students by internships in the member companies. In addition, by such close link it became possible for the academia to adapt and respond quickly to the changes in the business environment.

The establishment of Izmir University of Economics was realized with a total investment of 4 million dollars in 2001. Currently, the university has a net worth of 100 million dollars.

The university created long term benefits like creation of a strong link between the business world and academia, answering the needs of the industry, provision of new and innovative areas of study for the students, dynamism in local economy, cultural enrichment in the city through social activities and exchange programs and prevention of brain drain of students from Izmir to other big cities.

The Project was so inspiring that, in the following years the Union of Turkish Chambers and Commodity Exchanges (TOBB), the umbrella organization for all the chambers in Turkey established a university as well and some local chambers like Sivas Chamber of Commerce and Konya Chamber of Commerce are on the way to establish their own universities.

We believe same project can be applied by many chambers around the world either they are local, regional or national. Izmir Chamber of Commerce is willing to share its experiences with all its counterparts and the World Chambers Competition would provide a great global platform in World Chambers Congress 2009 for us to share our experiences and find new areas of cooperation with our counterparts.



Question 1: Development of the Project

The establishment of Izmir University of Economics by Izmir Chamber of Commerce was initiated by the determination of strengthening the members of the Chamber by meeting needs of especially SME community, in 1992.

The Executive Board of the Chamber elected in 1992, conducted an in-depth analysis about needs of the business community considering the international economic developments in Izmir, Turkey. The research concluded that the business community was in need of international oriented, skilled labour force capable of functioning in an international environment.

Rapidly developing international activities of the local economy showed that without the creation of an internationally oriented labour force, Izmir would be left behind the other economies. This would have a negative effect on the local economy, the SME's and social life of Izmir.

After almost a decade of preparation and undertakings on governmental level to obtain the necessary licenses, Izmir University of Economics has been established to meet the demand for internationally oriented highly skilled workforce by the local economy.

Izmir University of Economics was established with a total investment of 4 million dollars. Currently the University has a net worth of 100 million dollars and is owner of all the buildings and premises used.

The University first admitted undergraduate students in the 2001-2002 academic year. With the introduction of postgraduate level courses, postgraduate students were admitted from March 4, 2002. When the University was first established it consisted of 3 faculties, 4 schools, 1 vocational school and 2 institutes.

The Continuing Education Center (EKOSEM) within the University was established on 24 March, 2002 with the aim of providing trainings for different areas to help to foster collaboration between the public and private sectors and with international institutions.

Another research centre within the University was set up on 3 February, 2003. In addition, permission was granted by the Higher Education Council for the opening of the European Union Research Center (EKOAB) on 28. March, 2003. Then, approval was granted by the Council of Ministers for the establishment of the Faculty of Computer Sciences and the Faculty of Fine Arts and Design which enabled the university to concentrate on innovative areas like design and computer sciences which were not common in Izmir.

The Faculty of Communication was opened in the 2003-2004 academic year. In the following years, The Center for Design Research, the Center for Urban, Regional and Environmental Research (EKOKENT), Creative Entrepreneurship Research Center was formed.

Responding to the needs of the business community, the Faculty of Agricultural Technology and Nutritional Sciences was established as a part of the University.

One of the needs identified in the analysis was the lack of practical training the students had. This led to the structuring of the university system in a way that it would allow the students to gain practical training in their last years through the internships in member companies of the Chamber. Currently, the strong link between business community and the university provides opportunity for the students to



receive practical training through the internships offered in the member companies. These internships allows students to experience on the job training about the areas they study and the companies to benefit from the fresh point of view of the students.

This proves that the communication and the exchange of ideas between both parties are not one time; like decision on type of faculties etc but continues. As the local economy changes shape, the needs change and the continuous relationship between both parties allows the university to adapt and respond quickly to these changes.

It can be concluded that the main reason for establishing Izmir University of Economics was to further develop the SME's by creating a highly skilled, internationally oriented labour force that meets the needs of the business world and this way to lift the city economy to international platforms.

Question 2: Why the category 'Unconventional Project'?

We would like to present our Project "Establishment of Izmir University of Economics" for the "Best Unconventional Project" category. Establishing a university is an activity not typically associated with a chamber of commerce. In 2001, for the first time in Turkey, two foundation universities were established by two prominent chambers: one being Izmir Chamber of Commerce and the other one Istanbul Chamber of Commerce.

Izmir University of Economics became the first foundation university in the Aegean Region and also in Izmir and it is among the first two universities established by a chamber of commerce in Turkey. The Project was so inspiring that, in the following years the Union of Turkish Chambers and Commodity Exchanges (TOBB) started working on establishing a university itself and in 2004 when Izmir University of Economics was three years old, TOBB University was opened.

The Project still continues to inspire other chambers in Turkey. The President of Union of Turkish Chambers of Commerce and Commodity Exchanges, Mr. Rifat Hisarcıklioğlu during his visit to our Chamber announced that, following the initiative of Izmir Chamber of Commerce, some other local Chambers in Turkey like Konya Chamber of Commerce and Sivas Chamber of Commerce have started working on establishing universities in their cities as well.

The establishment of a university by our Chamber reflects how the Chamber had a long term vision for both the members of the Chamber and the city in general. The number of students increasing each year proved that the Project was beneficial for all the target groups; the members of the Chamber, the youth in Izmir and the local economy.

One of the difficulties met with the establishment of the university was the better communication and cooperation provided between the business world and the academia. Izmir Chamber of Commerce had realized the gap and the lack of sound communication between the business world in Izmir and the region with the present universities. This lack of communication created a mass of highly educated but unemployed youth in Izmir and the region. Unfortunately, not enough students were educated in the areas where there is need by the business world, in contrast a mass of students were educated in the areas where there is not that much need by the business world.

The university provided a link between the business world and the academia so that the need of highly educated graduates by the businesses would be met by the academia in the exact areas that there is need so that unemployment would decrease and it would be easier for the graduates to find a job.



The faculties to be established was decided after analyzing the need and consulting the business world. Accordingly there was high demand in short time and that motivated the Chamber for further developing the project. This communication aspect is an innovative character of the Project and it proved to be one of the most successful aspects of the Project.

The Project is also innovative in the sense that, the university focused on sectors of the future. In, Izmir University of Economics faculties like design, communications, computer sciences and modern management were founded. The university became the first in Izmir and in the Aegean Region to provide education in areas like fashion design, communication design, industrial design, logistics, translation and interpretation. This innovative character of the Project makes it even more suitable for the “Best Unconventional Project” category.

Along with being inspirational and innovative, the Project is in line with the other criteria of the “Best Unconventional Project” category which requires that the applying projects shall meet the needs of Chamber, members and the local economy. The establishment of IUE by Izmir Chamber of Commerce was initiated by the determination of strengthening the members of the Chamber by meeting needs of especially SME community. More than 90% of our members are SME's and the university provided a route of communication between these member businesses and the academia. As explained above, the university served the need to equalize the demand and supply regarding the high quality workforce.

By bringing together the business world and university, the project also provided opportunity for the students to receive practical training through the internships offered to university students in the member companies. These internships allow students to experience on the job training about the areas they study. This proves that the communication and the exchange of ideas between both parties are not one time; like decision on type of faculties etc but continues. As the local economy changes shape, the needs change and the continuous relationship between both parties allows the university to adapt and respond quickly to these changes.

Believing in the need that this project should be successful and shall not fail since it not only meets the needs of the members but also the local economy as well, the Chamber allocated 1 trillion TL in 2001 for the establishment of the university. Now, financially the University is run by the tuition fees received and in addition the Chamber continues to allocate 1% of its annual budget to the foundation.

The university started with 289 students in 2001. Now the number of students studying in the university has reached to 5997.

The university not only met the needs of the members of the Chamber but also contributed to the local economy significantly. The long term target of city of Izmir is to become a world class city. This target requires dynamic and high quality workforce. Until 2001, because there were only a few state universities present in Izmir and faculties mentioned above did not exist, the students moved to other big cities like Ankara and Istanbul for their undergraduate and graduate studies. This meant a significant brain drain as the students went to study and most of them stayed there after their studies to work. Establishment of Izmir University of Economics in Izmir provided many students from Izmir and the surrounding cities the opportunity to study in their hometown and decreased the brain drain.

The university created dynamism in the local economy as well. Currently 529 full-time and 250 part-time staff members are active within the university. As, Izmir University of Economics is a campus university it has effects on the local economy and created employment in the surrounding areas as well.



Question 3: Results, Impacts and Benefits

The establishment of Izmir University of Economics has had several impacts and benefits for the members as well as the local economy, i.e. SME's. One of the direct and measurable impacts is the contribution to the local employment. Izmir University of Economics is employer of 529 full-time and 250 part-time staff members. In 2006, this number was less than 200.

Another direct measurable impact is the prevention of brain drain in Izmir. The university started with 288 students in 2001 and currently there are 5996 students enrolled at the university. According to the statistics of the University, 67 % of all graduates chose to stay in Izmir after their graduation. These graduates work in the following sectors: banking, food, services, construction industry, international trade, logistics, automotive, advertising, fashion & textile, tourism, production companies and 35% of all graduates prefer a career in the academic world. This development contributes to the local economy. The young graduates start working in different sectors of Izmir where they contribute to the further development of standards within the sectors. A logical result of this has been the further improvement of the SME's and their trade activities.

Cultural enrichment is a long-term benefit of the Project to Izmir. The international character of Izmir University of Economics with all the foreign staff members and students makes the Project a meltdown of different cultures. The interaction between different nations and cultures made it possible to develop international cooperation in different fields. For example, Izmir University of Economics started to cooperate with Abertay Dundee University (Scotland) in order to develop an IT-project called 'White Space'. This cooperation is also very much supported by the British Government and the Prince Charles Prince of Wales has visited Izmir University of Economics on November 27, 2007.

Another side benefit of this cooperation with the United Kingdom is the establishment of Izmir Chamber of Commerce Vocational School in 2007. Vocational school offers short-term vocational training to adults. Also the programs of the vocational school are designed according to the international standards and the certificates are endorsed by the Scottish Qualifications Authority; one of the major vocational training institutions of the world.

The participation of foreign artists to the Spring Festival organized by Izmir University of Economics is another example of cultural enrichment.

Along with such impacts, the innovative character of the Project has assured that; educational programmes, offered by Izmir University of Economics, confirm the needs of the industry. A consequence of this is young and energetic labour force is being created by the University that meets the needs of the business community, in our case mostly SME's. Also the the practical approach of the University creates a young population of graduates who are highly skilled and already capable of functioning in the business world.

One last very essential long-term impact is the contribution to regional development by the Project. Izmir University of Economics has established different Research Centres within her own body to combat poverty and promote sustainable development in the city centre as well as different municipalities within the Grand Municipality of Izmir. Some examples are:

- ✓ Establishment of Mordoğan Vocational Training Center
- ✓ HERMES: Harnessing Employment, Regional mobility and entrepreneurship in south-eastern Europe.
- ✓ Continuous Education Center, offers short term vocational training to adults.



Question 4: Implementation of the Project in Other Parts of the World

Dialogue between the business world and education institutions is becoming more and more important every day. Industries require skilled graduates who meet the needs of companies. This means that educational institutions have to maintain their communication with the business community to stay updated about the latest developments and innovations.

As one of the most innovative and pro-active Chamber of Commerce of Turkey, Izmir Chamber of Commerce has made it her mission to establish the communication between the business world (members of the Chamber) and educational institutions.

This project can definitely be implemented in other parts of the world. This is proven by the fact that Izmir University of Economics has functioned as an example for similar initiatives in Turkey and now other Chambers of Commerce in Turkey are about to establish universities.

For other Chambers to implement a similar project in their countries, cities and regions, the most important step is the first step; collecting information about the needs of the different industries. Chambers of Commerce can conduct a research by surveys or organize meetings with the sector representatives. These meetings will be the fundamental input for the University or Vocational Training School.

Together with academic staff and representatives from the sector, curriculum for the education programs can be developed to make sure that the content is in accordance with the needs of the business world.

To exchange knowledge and experience in this field, Chambers of Commerce like Izmir Chamber of Commerce can function as an advisory partner to other Chambers. This way the Chambers can learn from the experience and consult wherever needed.

It is possible to investigate the activities of the Chambers during the World Chambers Congress. If this results in a high number of Chambers planning to start projects in Vocational Education and Higher Vocational Education, a platform can be created. In this platform Chambers who already started educational activities, can inform and guide Chambers who are just starting.

Under the leadership of ICC, Izmir Chamber of Commerce is willing to take the initiative to set-up such platform and share its experiences with the Chambers which would like to implement a similar project in their countries.



Question 5: Why Our Project at the 6th World Chambers Congress?

The World Chambers Competition is a global platform which provides the chambers around the world the opportunity to share their experiences with their counterparts. Sharing experiences brings up new ideas and new areas of cooperation. We believe our project can inspire many chambers around the world, maybe it would be with a different content or a different size but still a university that will meet the needs of their members and the local economy. In the long term these universities can start cooperating among each other's and even create a network which works on joint projects for their common needs.

Ten years ago establishing a university was a dream project for our Chamber. Not much people believed that it could be accomplished because it is not easily feasible, there were bureaucratic obstacles, required financial resources and most of all required great effort and determination. However, dreams came true and the university became a big success.

We believe if our project is selected as a finalist and presented at the 6th World Chambers Congress, it would be a motivation for all chambers, showing them that with strong determination such projects can become a success. It would show others that by projects which are not actually typically associated with chambers of commerce, they can realize unconventional project that would target their members. It would prove that such projects can have positive effects on the local economy as a side benefit as well.

Presenting of our project in the upcoming congress would also open way for further cooperation among our chambers, our universities and research centres. Izmir University of Economics runs international exchange programs for its students and academics, the congress would give the participating chambers the opportunity to establish relations between Izmir University of Economics and the local or national universities they have in their countries. This link can be further developed through the exchange programs offered by our university.