Construction of Entrepreneurship Education and Entrepreneurship Support System*

Ding Lihong¹, Wang Jing²

1 School of Statistics, Capital University of Economics and Business, P.R.China, 100026 2 School of Labor Economics, Capital University of Economics and Business, P.R.China, 100026 (E-mail: dinglihong26@126.com, wangjingdxc@126.com)

Abstract To train and support university graduates to start up, the entrepreneurship education, which aims at creating new employment positions, is a pressing requirement to deepen university education reform under the background of shortage of job opportunities. Through the investigation over cultivation of the student' consciousness over innovative undertaking, this thesis analyzes the students' consciousness, advantages and existing problems and reasons for starting up. Moreover, based on this, forms a supporting system integrated by government, society, university and individual. Hopefully it can provide due support and help for university students' innovative undertaking.

Key words Entrepreneurship education; Innovative undertaking environment; Start up; Supporting system

1 Introduction

In recent years, it has become a great problem for the university students to get employed, so all countries and the International Labour Organization are advocating university students' innovative undertaking. ILO's "Know About Business" programs have been implemented in more than 30 countries. The programme provides Entrepreneurship Education at higher education and is designed to help university students to start an undertaking after graduation and to increase the success rate of starting business. In accordance with the statistics of the human resources and social security departments, in 2010, the number of Chinese college graduates is 6,300,000, 190,000 more than the 6,110,000 in 2009; the employment situation is very grave ". Students' innovative undertaking is one of the effective ways to solve the employment pressure. However, the current situation of university students' innovative undertaking is not optimistic. Researches show: 70% of university students hold the idea to start enterprises, however, after graduation, only less than 0.03% practically start their business. Therefore, we carried out an "Investigation on Cultivation of University Students' Entrepreneurship Consciousness" to some university students in Beijing. In this investigation, 516 questionnaires were issued, 431 were returned and the effective ones accounted for 83.5%.

2 Analysis of the Awareness of University Students' Innovative Undertaking

2.1 Opinions of university students' innovative undertaking

Among the students investigated, 54.8% of them show support and recognition; 34.3% hold a neutral attitude. From the proportion, nearly 90% of the respondents do not object to university students to start an undertaking.

2.2 Entrepreneurial intention and the reasons

Among the students investigated, 49% of them have the impulse of starting business but do not put it into practice, and 45.7% do not have the impulse of starting business. People with the entrepreneurial impulse and having carried out entrepreneurial plan are the fewest, only accounting for 5.3%. 29.2% of the respondents have a plan of starting business after graduating; 40.1% do not intend to start business after graduating, and 30.6% have not yet considered this problem. 64.3% of the respondents place "paid employment" in the first place among the three sequences, followed by "further study", and only 6.3% rank "to start an enterprise independently" in the first place. Thus it can be seen that, in the eyes of the university students, it is not an attractive optimal choice to start an enterprise independently after

^{*}Funding Project for Academic Human Resources Development in Institutions of Higher Learning Under the Jurisdiction of Beijing Municipality

^① In 2010, the number of university graduates in the country is 6,300,000, 190,000 more than that in 2009. Information Times February 17, 2010

graduation.

Table 1	The Selection S	equence of Students After	Graduating From University

	Frequency	Percentage (%)	Cumulative Percentage (%)
A Further study	127	29.5	
B Get a paid employment	277	64.3	29.5
C To start a business independently namely to be self-employed	27	6.3	93.7
Total	431	100	100

2.3 Main reasons for choosing not to start enterprises

Among the students that choose not to start enterprises, 70.4% are because of lacking fund, and this reason takes the biggest proportion, which reflects the seriousness of this problem. Second to it, it is risky to start a business; this reason is a comprehensive one, which is related to lack of fund, experience, capacity and guarantee.

2.4 Venture capital

Among the students investigated, 86.1% do not have enough venture capital at present; only 3.9% have enough venture capital.

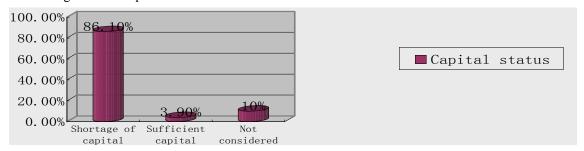


Figure 1 Whether You Have Sufficient Venture Capital

2.5 Understanding and expectation to the relevant policies

When asked the understanding degree to the relevant policies and regulations that are put forward by the state to support the university students' independent innovative undertaking, only 3% respondents know the policies and regulations very well; 23.7% are comparatively clear about them; 55.5% only know some and 16.9% know nothing about it. It indicates that students do not know much about the relevant national supporting policies. In the question "from which aspect should the government support the university students in starting their own business", 68.4% students choose the support of university student science and technology innovation fund, 51.7% choose socialized and specialized management service institutions to render services; 45.5% choose to reduce taxes and lessen expenses, 13.9% choose to improve financial environment and step up publicity. Then we can see that students are in great need of government support in terms of funding and tax reduction.

2.6 Views on entrepreneurship education

80% students believe that it is necessary to carry out entrepreneurship education; when mentioning university entrepreneurship education, 46.2% students think that there are some entrepreneurship education activities in universities and colleges, but these activities are not influential enough; students not understanding and having no related activities take up 29.7% and 17.4% respectively; only 7.4% students have ever attended entrepreneurship contests. Thus we can see that the popularity level of entrepreneurship education is not high enough in universities and the influences are far from enough. In the investigation as to whether the existing knowledge and skills can meet the entrepreneurship requirements, 75.6% students think their own skills and knowledge cannot meet the requirements.

Table 2 A Survey on Whether Students' Knowledge and Skills Can Meet the Entrepreneur

	Frequency	Percentage (%)	Cumulative Percentage(%)
A Meet	17	3.9	
B Basically meet	50	11.6	3.9
C Not meet	326	75.6	15.5
D Not clear	38	8.8	91.2
Total	431	100	100

They believe that a good entrepreneurship education has the following characteristics: (1) entrepreneurship practice; (2) business simulation training; (3) on-site visit and study; (4) to invite successful businessmen to make report and talk about their experience. In the entrepreneurial guidance courses, 62.1% students choose practical activities, 58.7% choose entrepreneurial procedures (procedures of applying for operation qualification and channels for raising funds etc.); 52.4% choose interpersonal communication skills; 41% choose marketing courses.

2 Main Problems Existing in University Students' Innovative Undertaking

2.1 Weak capacity and lack of experience

Most students only focus on their specialty courses during their study in school and do not pay attention to extending their knowledge. Although university students' innovative undertaking mostly depends on the advantages of their own skills, as a systematic project, to start business is not just competition of technology, but more competition of operation concept and measures; it requires the business starters to have certain knowledge accumulation on management, marketing, finance, business, tax and law. Obviously, students that just graduate from university have very limited social experience, working experience, little understanding about market characteristics and products marketing methods, and they are also short in business operation and management ability. They often find it difficult to solve complex problems coming across during the process of starting their business. Also it is difficult for them to accurately analyze and grasp the future development trend of the industry.

2.2 Lack of a systematic guidance

Currently a lot of universities have not yet fully recognized the importance, necessity and pressing of students' innovative undertaking. They simply focus on employment education and guidance, and the education content is mostly limited to periodic business plan contest, focus relatively less on the cultivation of students' awareness of being self-employed and entrepreneurship, investment project argumentation, fund raising, product technology, quality management, marketing development, interpersonal relationship, business regulations and relevant government policies. And then, there is a lack of an environment to cultivate and provide new-style talents for enterprises.

2.3 Capital shortage

Capital shortage is one of the toughest issues for university students' innovative undertaking. Because it is difficult to evaluate the credit ranking of self-employed students, even if the state has issued policies to provide students with small amount interest-free loans, the banks still holds very careful attitude towards their credit extension loan, so it is not easy to get a loan for the students. Due to the limitation of experience and sight, the pioneering projects selected by students are mostly difficult to win adventurous investors' acclaim. As for other fund raising methods, such as pawn financing and financial lease, due to the limited scale of the real assets owned by the student business starters, it is difficult to win large amount capital support.

2.4 Lack of support of related policies and public opinions

In terms of government support, currently the support for the self-employed university graduates mainly includes simplifying the approval formalities, providing free consultation services of policy, regulation and information and tax reduction and exemption, and so on. But some policies are very difficult to carry out; especially, in the key problems, such as operation field, financing channel and tax privileges, the university students who start enterprises have not truly enjoyed the support.

In terms of public opinions, the focus mainly falls on employment of university students. To improve the employment rate, the universities do not hold a fully supportive attitude toward students' entrepreneurship. In the ideas of many parents and students, if they start their own business after graduation from universities without a company to accept them, it means that they have not been recognized by society. Therefore, the primary choice after graduation for students is to get a paid employment in a company but not to start enterprises.

3 Suggestions and Solutions

To start a business is an effective way to relieve students' employment problem. To provide due help and support for university students' entrepreneurship and improve their ability of starting their own business through construction of entrepreneurship education and entrepreneurship is of far reaching importance for innovating education concept, deepening educational reform, and promoting the employment rate of colleges and universities and even improving the overall employment rate in China.

3.1 Support university students to start enterprises from the government

Research data show that China's financial support of venture capital, direct support of government policy, policy making of the central government, approval efficiency of a new enterprise, service organization in government projects, education and training, conditions for transfer of research and development, property right protection, business "soft environment", and the responsibility relationship between individuals and collective in social culture are at a disadvantage, and it is urgent to establish a government supporting system, which mainly includes:

3.1.1 Simplifying the related procedures of starting business and further improving service quality

The government has put forward a number of preferential policies for university students' innovative undertaking, but these policies have not been well popularized, and some policies have not yet been actually put into practice. The government shall continue to carry out related policies, lower the threshold, reduce limitations and simplify the related procedures of students to start enterprises, so as to provide them with simple and quick service as far as possible.

3.1.2 Providing financial support

The greatest challenge faced by business starters is fund. Currently, the most urgent task for the government is to provide startup capital for the undergraduates, rationalize the financing channels, establish complete mechanism for venture capital investments, explore and utilize actively the financing mechanism guaranteed with technology, patent, knowledge and credit, and perfect the encouragement and support policy gradually. The state shall establish undergraduates venture capital fund[®] and special small amount credit loans to support entrepreneurship programs, and provide certain privileges in other aspects for the cooperative and supportive enterprises.

3.1.3 Step up publicity efforts

Although recently the state has provided a lot of preferential policies for university students to start their business, but a lot of the business starters are not fully clear about their rights. As the government propaganda is not enough, deviation in understanding and practice occurs during the implementation by lower level authorities, and the operability is also comparatively weak. To cultivate an entrepreneurial society, the government shall make full use of various media to strengthen the publicity of entrepreneurship policies and culture.

3.2 Support students to start enterprises from society

Currently, social support of university/college students' innovative undertaking still is at a relatively weak phase, which lacks the spirit to allow failure and encourage adventures; therefore a positive entrepreneurship culture is waiting to be established. Besides, the related authorities shall also abandon the policy idea of blind pursuit of success when making related policies of university students' entrepreneurship. To see if the support of entrepreneurship is effective, not only we shall focus on the number of successful cases, but also we need to focus on the registered number of starting business, namely, the number of people that will start business and actually put into practice. That would be more helpful for the development of university students' entrepreneurship.

3.3 Support the university students from universities/colleges

Currently in China's higher education, cultivation of students focuses mostly on knowledge and skills, while lacking the cultivation of independent entrepreneurial awareness, quality and skills. This is an important problem that needs resolution urgently. The destination of entrepreneurship education is to enable university students to acquire comprehensive quality of starting business through education, training and exercise, and then make them become entrepreneurial talents that meet and lead the needs of society.

Entrepreneurial peducation falls into four parts, including: entrepreneurial awareness, entrepreneurial quality, knowledge structure and entrepreneurial ability. Entrepreneurial awareness is the desire of people to start a business, and, it dominates people's attitude and behavior toward business starting practice to a large extend and is a starting point of entrepreneurship education. Entrepreneurial quality is a regulating system of emotion, will, and spirit of starting a business, which includes five special qualities: grasping entrepreneurial opportunities, managing entrepreneurial risks, bearing entrepreneurial responsibilities, maintaining entrepreneurial enthusiasm and adhering to the

²⁰ China Entrepreneurship Research Center of Tsinghua University "Global Entrepreneurship Monitor- 2002 China Report"

[®] Gu Xiaosong, "Construction of University Students' Entrepreneurship Support System", Xinhua Daily, March 14, 2008

entrepreneurial rationality. A good entrepreneurial quality is the important guarantee of university students to start enterprises successfully. Entrepreneurship knowledge mainly includes: professional knowledge, operation and management knowledge and comprehensive knowledge, and it is the main body of entrepreneurship education. Entrepreneurial knowledge mainly includes professional knowledge, operation management knowledge and comprehensive knowledge, and it is the main body of entrepreneurship education. Entrepreneurial ability is the ability of self survival and self-development in the practice of starting business, including innovation ability, design ability, organizational and coordination ability, and leadership. Entrepreneurial ability is the practical application of entrepreneurial knowledge, which is the foothold of entrepreneurship education.

In the entrepreneurship education, higher institutions shall also focus on the curriculum design, the establishment of experimental bases, and, especially the cultivation of teachers. At present, most of teachers are lack of entrepreneurship experiences. Therefore, when introducing high level talents vigorously, the higher institution shall try to employ experienced management personnel from enterprises and groups, establish a entrepreneurship education-based group of teachers and change the situations of just paper talk of entrepreneurship education. Change the lecture of entrepreneurial courses into a real lecture room of entrepreneurship, so as to make full preparation for the students to start their business in future.

3.4 Cultivation of the self cognition and self awareness of an individual

Influenced by the exam-oriented education, the self-competence evaluation of university students relies more on scores, which makes the students blindly arrogant and engage in idle theorizing. This often causes ill positioned and blind entrepreneurial behaviors and poor ability to resist setback. As a result, in the preparation process of starting business, students should intentionally strengthen the cultivation of their self cognition and self awareness. Through cultivation of self-awareness, they can form a clear judgment and definition of themselves, and know if they are suitable to start enterprises and what kind of business is suitable for them

4 Conclusions

All the related policies and entrepreneurship education shall be made according to the actual needs of students and adjustment shall be made according to the demands of development of times and society and adjusted in accordance with the needs of times and social development. As an emerging matter in China, university students' innovative undertaking needs to be explored and asks for more attention and support from government, society, universities and each person.

References

- [1] Bu Xiaohui. A Brief Study of Current Situation, Problems and Resolutions of University Students' Innovative Undertaking[J]. Science & Technology Information, 2008, (28):15 (In Chinese)
- [2] Cui Wanzhen. Study on Construction of University Students' Entrepreneurship Support System[J]. China University Students Career Guide, 2007, (15):21 (In Chinese)
- [3] LI Junjie. The Puzzle Faced by University Students in Starting Business: Causes and Countermeasures[J]. Public Expenditure and Procurement, 2008, (11):34 (In Chinese)