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# Reflection on Challenges and Countermeasure of Entrepreneurship Education in China

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#### **Abstract**

With the rapid pace of globalization, uncertainty, and discontinuous knowledge-based society, for a country, innovation and entrepreneurship have become the main competence. After the World War II, small and medium sized enterprises have promoted economic productivity and offered new job opportunities. Based on this, Entrepreneurship education has become a rapid new field in the universities. Entrepreneurship education is one of the basic ways to solve the employment problem of university students. At present, university enterprise education in China has just started, facing many problems. This paper attempts to make a theoretic reflection on problems of entrepreneurship education in China and make suggestive countermeasure.

**Key words:** Entrepreneurship education; Higher education; Employability

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# 1. INTRODUCTION OF ENTREPRENEURSHIP EDUCATION IN CHINA

## 1.1 Significance, Necessity and Present Situation of Entrepreneurship Education in China

Entrepreneurship is innovation, which is a novel way to connect existing resources with profit, a coincidence of a profit opportunity and an economic community willing to exploit this opportunity (Carey & Naudin, 2006). It is no less, if only, critical in the new knowledge-based economy driven by information technology in the global world economy. Unlike business, entrepreneurship education is merely education of creation of business, which cultivates the individual with innovation, independence and employability. So entrepreneurship education is widely accepted in many countries.

Besides, Entrepreneurship education is fundamental to solve the problem of employment of university students (Lange, Kalandides, Stober & Mieg, 2008). In recent years, with substantial expansion of enrollment in colleges and universities, the overall status of the employment market, limited employment opportunities and relative surplus graduates form a pair of contradictions. As a result, the difficult employment of college students is becoming more and more prominent. Serious college students' employment situation becomes an important factor to restrict the development of higher education in China, and it is also a realistic problem which is beneficial to people's livelihood, social stability, and harmonious development. Because of this, how to resolve the difficult problem of employment of university students has become a major issue of common concern for the whole society. Based on this, we can say, entrepreneurship education is fundamental for the employability of university students. "Entrepreneurship drives employment" is a guideline advocated by central government. In China, College

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students' employment space is enormous. According to the statistics, for every hundred people in China now, the number of small and medium-sized enterprise is only3.4. If this number increased to one more, one more job opportunity will be provided averagely, and then at least 1000000 more employment opportunities for the whole country, employment pressure will be eased to a great extent. However, the current university graduates employment situation is not optimistic. In recent years, the number of university graduates in China is very high, but the proportion of university graduates self-employment has remained at a low level of 0.4% ~0.5%, even in the provinces with high economic level, the number of graduates directly becoming entrepreneurs one year is not more than 5000(Dees, 1998). The reasons of the low rate of university graduates entrepreneurship include: the relative poor domestic capital market, low investment in the economic field, the financial difficulties. Besides, many business plans are difficult to put into practice, but the more important reason is the rare entrepreneurship education of university students in China, with poor entrepreneurial culture atmosphere, and the lack of entrepreneurial competence. As some scholars pointed out: after several years of exploration and practice, entrepreneurship education has become the development of higher education reform (Bridgstock, 2011). But with the international mature practice of entrepreneurship education, entrepreneurship education in China will also face fundamental strategic challenges. Therefore, for universities, on the one hand, they should stick to the guideline of "Entrepreneurship drives employment" proposed by the 17th CPC National Congress. On the other hand, universities should further develop, implement entrepreneurship education, improve the quality and level of university students' employment through entrepreneurship education, and resolve the difficult employment of college students from the root.

## 1.2 Challenges of Entrepreneurship Education in China

## 1.2.1 The Beginning of Entrepreneurship Education in China

Entrepreneurship education is seen as activities aiming to improve the comprehensive quality of college students, enhance their ability to adapt to the society, to cultivate the entrepreneurial spirit, and enhance students' entrepreneurial skills (Watson, 2008). In 1989, UNESCO in International Education for the 21st Century Seminar first proposed the concept of entrepreneurship education. In the past 20 years, the world trend of entrepreneurship education is becoming stronger and stronger.

Developed countries attach great importance to entrepreneurship education. In 1947, Harvard University School of business opened the first entrepreneurship education curriculum in American University. In 1980s, Bill Gates as the representative of the entrepreneurs set off entrepreneurial revolution. Entrepreneurship education in American universities developed rapidly, in 1979 entrepreneurship education of undergraduate course opened in 127 universities, in 2005 has been increased to more than 1600 (Bhide, Sahlman, Stancill & Rock, 1999). The United States integrated the entrepreneurship education into the formal education from primary school to graduate students. According to statistics of Massachusetts Technology Institute in 1999. the teachers and students in the universities averagely annually founded 150 new companies, and in 1994 the company will provide 1.1 million job opportunities. As a result, sales amounted to 232 trillion dollars. 60% ~70% of enterprise in Silicon Valley are founded by Stanford University students and teachers. Entrepreneurship Education in England and France, Japan and other countries are extended to the junior middle school (Carey & Naudin, 2006).

Compared with developed countries, entrepreneurship education in China is still in its infancy. Ministry of education in 1999 in "the 21st Century action plan for Invigorating Education" proposes to strengthen entrepreneurship education to teachers and students, from which entrepreneurship education has formally started in china. At the beginning of 2002, the Ministry of Education decided to start entrepreneurship education in 9 colleges and universities of china. But most of the research was lack of entrepreneurship education discipline, research content, and research methods. Entrepreneurship education only focused on students' guidance, while theory and practice of entrepreneurship education is in the stage of exploration.

## 1.2.2 The Backward of the Perception of Entrepreneurship Education

University students are lack of rational perception on the necessity and of entrepreneurship education in colleges and universities. Today, most of the colleges just see entrepreneurship education as a part of the normal teaching activities, implementing it simply by individual electives set or holding entrepreneurship lectures, but not integrating it into teaching target and system. Even a minority of entrepreneurship education exists; teaching modes are often confined to the knowledge type, not giving students enough practical opportunities and development space. The objective colleges and universities is only to promote the entrepreneurship education as a way for graduates to get more job opportunities in the future, while they do not put it as an economic development drive force in our society.

## 1.3 The Imperfect of the Implementation of Entrepreneurship Education

#### 1.3.1 The Lack of Qualified Teachers

In foreign countries, the entrepreneurship education teachers mostly have business or investment experience;

they are familiar with the operation of enterprises. But in China, even a few colleges and universities offer courses of entrepreneurship education; the teacher is mostly academic origin, and lack of business experience and practical ability. In addition, due to the rapid size expansion of the universities and colleges, whose teaching force, experimental equipments are not corresponding to their expansion. Besides, college teachers, regardless of teaching reform and scientific research, can not guarantee the quality of teaching entrepreneurship education.

## 1.3.2 The Lack of a Complete Entrepreneurship Education System

The entrepreneurship education in China is just related to a number of entrepreneurial activities, but not included in the training goal and system of entrepreneurship education. which leads to a cap between business education and professional education. A system of China's entrepreneurial education curriculum is only about a few MBA courses, which are only in form of electives in most universities. Because of the lack of fusion in the universities' overall teaching system, entrepreneurship education has not formed the organic connection with professional education and professional disciplines, and thus it makes students lose their own professional advantage to rely on. Entrepreneurship education can not be divorced from the knowledge education and professional education in isolation; the key issue is how to reform the existing teaching contents and education system.

## 1.3.3 The Lack of True Entrepreneurial Activities

Entrepreneurial activities are the weak link in higher education in China. Compared with practical mature business mode in foreign countries, entrepreneurship education in Chinese universities has just started. For example, since 1999, the country held a total of five business plan competitions for college students. Although some universities organize or participate in the college business plan competitions in various forms, most of which are for the game not out of real intention, and not really venture into the implementation of plan; the plan only stays in creative thinking lay, and universities are lack of specific measures to cultivate the students' entrepreneurial activities.

# 2. CREATING A NEW MODEL OF ENTREPRENEURSHIP EDUCATION IDEAS

# 2.1 Cultivate Faculty of Entrepreneurship Educationin Colleges and Universities

First of all, innovate of talent introduction mechanism. According to the United States experience, the number of part-time teachers and professional teachers should be properly coordinated (Chell, 2007). Business management personnel with practical experience, experts in economic

management departments with professional titles and other theoretical knowledge and practical experience, and outstanding skillful talents can be introduced as a part-time lecturers and teachers, in cooperation with the university teachers teaching some business courses. Universities can also employ successful prominent enterprise or business alumni as visiting professors, regularly giving lectures for students, and students to exchange experience in enterprise management and entrepreneurial experience (Timmons & Spinelli, 2003).

Secondly, train entrepreneurship education teachers. To foster entrepreneurial qualities of the students, teachers must have business practice. Universities create conditions to encourage teachers to engage in a part-time job in companies or send some talented young teachers to participate directly in the entrepreneurial practice. Entrepreneurial experience will enable them to have a deep insight into the social trend and the demand of social practice of entrepreneurship education.

### 2.2 Innovation of the Training System of Entrepreneurship Education

### 2.2.1 Set Entrepreneurial Courses Properly

The implementation of entrepreneurship is the foundation to realize the goal of cultivating talents, which is the way and means of education. Its content relates to how to promote the development of students' comprehensive quality, how to make them change from passive recipients of the curriculum to active participants, how to realize the combination of professional education and entrepreneurship education, paying attention to the knowledge education and ability education, how to arouse the students' entrepreneurship awareness and enthusiasm, and how to cultivate the entrepreneurial quality and entrepreneurial ability. That is to say, the curriculum is not only the form of entrepreneurship education, but the platform of entrepreneurship and it relies on education; the curriculum is the key of entrepreneurship education.

Curriculum should follow three basic principles: one is to pay attention to the education of innovation and practicability, from the needs of students; the second is to weaken discipline boundaries, and pay attention to the discipline overlapping and permeability; the third is to proceed from reality of the school system, and gradually establish a curriculum system of entrepreneurship education more than its own characteristics (Henry, 2007). The construction of the curriculum is that the professional courses should be reduced, the basic courses widened, the general education strengthened, and the comprehensive courses increased. Both literature and science are included, and the organic combination of engineering courses, interdisciplinary curriculum can make students form the comprehensive knowledge structure. Therefore we can divide courses into four forms: compulsory courses; elective courses; extracurricular courses; entrepreneurial courses into other courses. No matter which approach must be combined with inside or outside of the class in scientific and technological activities, the students' basic quality, innovation and entrepreneurial ability should be trained as focus.

## 2.2.2 Innovation of the Teaching Approach in Accordance with Entrepreneurship Education

To design the teaching content according to the factors required for a successful entrepreneur process, a successful entrepreneur must have the integration of core competence, knowledge structure, social consciousness and personality traits (Fugate, Kinicki & Ashforth, 2004). Therefore learners should be put in the condition of creating a business enterprise, developing such a simulation of dynamic process, and they also should be guided to pay attention to some economic problems, and entrepreneurship related social problems or other issues. In the choice of teaching methods, teachers should illustrate and analyze practical examples in the teaching process, by using problem-centered teaching mode, making the students actively thinking about starting a business to solve the problem. A case study can be particular emphasized in teaching; through the study of carefully selected cases, active innovative teaching can not only be aroused, students' entrepreneurial problem analysis and judgment ability can also be cultivated.

#### 2.2.3 Establish a Flexible Curriculum System

Entrepreneurship education in universities is peopleoriented, which upholds and maintains their dominant position in education and emphasizes the personality of the students (Raffo, Lovatt, Banks & O'Connor, 2000). In order to achieve the education goal, teachers must give up the course and method followed with the same pattern. On the contrary, they should follow students' entrepreneurial ability law. Training course is the core of entrepreneurship; the establishment of a flexible educational system is compulsory. For example, for special talents with business conditions of college students, teachers should formulate special policies to encourage and support their entrepreneurial activities, making appropriate adjustments to the university management system, professional management system and examination system. In implementing flexible credit system, students in 4~5 years, or in 6~8 years, or even longer time can complete credits; students have autonomy to choose majors according to their hobbies and talents.

## 2.3 Construct Entrepreneurship Education Practice Platform

Entrepreneurship education is a practical education activity, and practice is a specific approach to achieve entrepreneurship education. The effective way is to cultivate university students' entrepreneurial consciousness and ability. Therefore they should be combined with the actual, and various forms which provides business practice platform for students. They

are encouraged to try entrepreneurship practice, not only staying in the level of study.

First, strengthen the contact and cooperation within the business communities. Universities in our country have a long-standing tendency of theory without practice, which are closely related to business communities. The lack of social experience becomes a key reason for college students losing their jobs in the labor market (Fillis, 2006). Colleges and universities in the process of the implementation of entrepreneurship education can take the cooperation mode: found entrepreneurial practice base and cultivate students' professional skills of the practical training base, build a bridge of communication between universities and enterprises, make a combination of production, learning and research, and take advantage of talents and capital. On the one hand, enterprises gain profits; on the other hand, students' scientific and technological achievements into practical productive forces will be greatly improved. By strengthening the link between the business communities and universities, more students with internships of social practice are cultivated, and students can intuitively understand what the enterprise is, and how business operation is, and thus they can enhance knowledge and professional skills into practical use (Schumpeter, 1934). Therefore a solid foundation for the correct path of entrepreneurship is laid.

Second, set authentic environment of entrepreneurship education. Entrepreneurial practice and classroom teaching are different (Holden, 2007). The entrepreneurship education is challenge to the traditional education, which makes a transfer from that teachers are the main body in class to that students are trained with entrepreneurial ability and practice. For example, in some universities, correspondent entrepreneurial communities are set up for students under the support of the universities to provide authentic atmosphere in business establishments. In university entrepreneurial communities, students create their own enterprises; these enterprises all have business and tax registration certificate, and enterprise managers need to undertake legal responsibility. Students participate in entrepreneurial practice, and they engage in all by themselves: project establishing market survey, and before the project, write a business plan and submit an application to the university. In accordance with the provisions of the tax administration, and student registration, the teachers will evaluate whether a license will be issued. All the procedures should be completed by the students themselves. This not only makes the students' economic pressure alleviated, the more important thing is to improve their ability of social practice, to understand the tax law, the good faith management, and enhance the sense of competition and cooperation spirit. Therefore the entrepreneurial quality of students has been significantly improved. Entrepreneurship education environment has the meaning of innovation and is worthy of promoting.

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