

# A Review of the Importance of Entrepreneurship Education Development

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**Abstract:** Entrepreneurship education can contribute not only to the overall development of individuals, but also to the development of society, especially in terms of economic growth. The purpose of this paper is to analyse the influencing factors and the important role of entrepreneurship education in order to determine whether the development of entrepreneurship education should be emphasized in our country and how it can be better implemented in the country. This paper discusses and analyses a number of studies on the impact of entrepreneurship education. It is found that innovation education plays an important role in economic development and social progress, and most countries in the world currently offer entrepreneurship education courses. Because entrepreneurship curricula vary from country to country, an effective system to teach students about entrepreneurship has not yet been developed internationally. Compared with other countries, entrepreneurship education in China started late. Therefore, this paper argues that China can develop entrepreneurship education while better developing an effective and innovative education curriculum in conjunction with feedback from the target audience, i.e. students, in order to improve the country's employment rate and achieve healthy economic development.

## 1. Introduction

### 1.1. Research Background

In modern society, whether in developed or developing countries, entrepreneurship has become the most important part of a country's economic development and the driving force of economic development. Policymakers in Europe and the US believe that more entrepreneurship leads to economic growth and innovation [1]. For example, entrepreneurship has led to the emergence of a large number of new entrepreneurs, thus providing a large number of employment opportunities. Promoting employment through entrepreneurship will fundamentally solve the problem of difficult employment of college students and alleviate the pressure of national employment. In addition, entrepreneurship can also create emerging industries. Cultivating emerging industries can effectively help the country's future economic development. However, entrepreneurship is an unfamiliar field for many students. They don't know the process of starting a business or whether they have the ability or mindset to do so. From these aspects, students cannot judge whether they are fit to start a business. But entrepreneurship can help a country's economy grow. In response to this situation, the United States became the first country in the world to implement entrepreneurship education in the 1940s. Up to now, this new concept has been adopted in higher education in many countries. In 1998, the United Nations Education Scientific and Cultural Organization recognized its value and advocated the development of entrepreneurship and skills among students in higher education [2]. Fayolle noted that as has been reported over the past decade, entrepreneurship education is growing rapidly around the world [3]. In modern society, entrepreneurship education has become an indispensable part of university education. Many universities provide innovative and entrepreneurial courses and practical activities to improve students' comprehensive quality and enhance their innovative consciousness,

creative spirit and entrepreneurial ability. College graduates with strong entrepreneurial ability will not increase the employment pressure of the society, but also cultivate many companies through independent entrepreneurial activities, so as to increase jobs for the society. Despite the importance of entrepreneurship education, few studies have evaluated its impact [4].

## **1.2. Research Significance**

The purpose of this article is to discuss whether entrepreneurship education in China will affect students' entrepreneurial intention and promote economic development. If so, will entrepreneurship education have different effects on different students' entrepreneurial intentions? This article measured the impact of entrepreneurship education on entrepreneurship and the benefits of entrepreneurship to economic development. According to the impact of entrepreneurship on the economy, we can judge whether entrepreneurship education should be fully developed. In addition, based on the research on the impact of entrepreneurship education on students' entrepreneurial willingness, this article tries to make suggestions on the existing forms of entrepreneurship education, so that entrepreneurship education can help more people become entrepreneurs.

## **2. Literature review**

### **2.1. Core Abilities in Entrepreneurship**

Ferrante views the talents of entrepreneurs are above managerial abilities. Instead, entrepreneurial talent is the ability to cooperate innate talents and knowledge obtained from education. In addition to abilities such as leadership and creativity, he introduced the concept of "risk preference" as another interior talent. When risk preference reaches a relatively high level, individuals will turn to be entrepreneurs instead of employees. In other words, within a group of individuals, people are most likely to become entrepreneurs if they are comparatively least risk averse. On the other hand, Ferrante also proposes education as an external factor that can affect entrepreneurial talent. The higher the level of education, the more individuals will devote time to entrepreneurial activities. At the same time, the advanced knowledge gained through system training can help people succeed in certain fields. Therefore, based on Ferrante's framework, entrepreneurial talent is an ability that combines both people's nature and nurture characteristics [5]. Meanwhile, entrepreneurial education should be different from the traditional model that advocates students to start a new business and instead aims to help students accumulate for their potential entrepreneurial career. Entrepreneurship education should abandon announcing successful examples of entrepreneurs. A more effective method in the education process is to stimulate students to take advantage of accessible resources. The new course format help students better understand their abilities and stimulate their hidden entrepreneurial behaviors [6].

### **2.2. Present Status of Entrepreneurship Education**

In Germany, the overall competitive economic environment in some regions benefits from the positive impact of entrepreneurship. Students choose to participate in entrepreneurial activities at the universities and accumulate knowledge and human resources. During the learning process, college students absorb and internalize knowledge to make the knowledge fits their own experience and logic. In addition to knowledge, people share many social relationships based on each other and other types of human capital. Immobile human capital works as a limitation at some level that constrains people working around universities since only in the vicinity of the university can students better exploit the immobile human capital. Therefore, a glut of local college students and graduates tend to start businesses around the university. Since the university spillover effect provides a large number of positive effects, college students can bring industry innovation to the entire market after entering the human resources market [7].

Germany is not the single case on the European continent. European countries pay increasing attention to entrepreneurial education that is strengthening the competitiveness of the entire European market at a rapid pace. Current education in Europe gives excessive emphasis on employment rather than entrepreneurship. To be more precise, courses in present days emphasize providing students with

knowledge in a certain field to prepare for future careers. However, outside this field, students cannot accumulate enough knowledge and skills, which is a deadly situation when people want to gain a new job if they experience negative job turbulences. Therefore, the European region has also strengthened entrepreneurial education to help individuals learn more about entrepreneurial thinking and skills in the past few decades. At the same time, universities start cooperating with local enterprises to bring out more accessible supporting facilities to students [8].

India is a country close to China geographically, and there are numerous similar parts in entrepreneurial education. In India, entrepreneurial education is at a relatively early stage, which makes people have insufficient evidence to support research. In fact, the entrepreneurial projects in India are concentrated at the stage of colleges and universities. Colleges and universities offer entrepreneurial courses mainly targeting teaching students to start their businesses and helping society when successful. On the other hand, combining advantageous industries, India also provides entrepreneurial assistance to younger people. India advocates taking primary school students to software companies and other places to experience the fun of technological advancement to prepare for future potential entrepreneurial activities [9]. This idea shows that India gives scholars a distinctive suggestion for the development of entrepreneurial education at the elementary level.

### **2.3. Influence of Entrepreneurship Education on Students**

Research on the impact and function of entrepreneurship education is still in the Initial stage [4]. Zhou & Xu study have evaluated the status quo of entrepreneurship education in China and put forward suggestions for the development of China's entrepreneurship education in the future [2]. Oosterbeek et al. study the impact of entrepreneurship education in an entrepreneurship program [1]. They take advantage of the fact that one college offers essentially the same bachelor's degree program at two different locations, but one location offers entrepreneurship education and the other not offers it. Therefore, they apply a difference-in-differences framework, and measure relevant variables before the start of the program and after the end of it. Their results show that the effect on students' self-assessed entrepreneurial skills is insignificant and the effect on entrepreneurial intentions is significantly negative. However, other study confirms that entrepreneurship education in universities has a positive impact on students' entrepreneurial intentions [10]. While these studies examined whether entrepreneurship education had different effects on students, they did not examine whether entrepreneurship education helped students decide whether they should pursue an entrepreneurial career. However, another study addressed this question. Graevenitz et al. study the learning processes in entrepreneurship education [4]. They studied the effects of a compulsory entrepreneurship course at a major German university by using a pre-test–post-test control design. They chose a group of students who were not all interested in entrepreneurship to take the entrepreneurship course and collect data. By link ex-post intentions as well as changes in intentions to the strength and consistency of signals received by students before and during the entrepreneurship course, they found that students who received entrepreneurship education will update their perceptions about their entrepreneurial aptitude. Moreover, the authors found that people who were initially hesitant about their entrepreneurial aptitude were more likely to change their perceptions. Those who had a strong cognition of their entrepreneurial aptitude before attending the course tended to have little change in entrepreneurial intention caused by the course. Therefore, Graevenitz et al. study demonstrates that entrepreneurship education can help students discover differences in entrepreneurial aptitude and explains why entrepreneurship education does not always enhance student's entrepreneurial aptitude [4].

### **2.4. Entrepreneurship Education in China**

Under the rapid growth of global economy, entrepreneurship as a new education system has witnessed similar growth in the field of entrepreneurship and innovation education. From nineteen seventies to 2005, the number of colleges and universities around the world offering courses on entrepreneurship education has grown to more than 1,600 [3]. Under this inevitable trend, Chinese high-ranking universities gradually began to pay attention on entrepreneurship education. The

evolution of Entrepreneurship Education in China started in 1997 when Tsinghua University established the Entrepreneurship Competition. In April 2002, the Chinese Ministry of Education launch a pilot project for selected 9 high-ranking universities entrepreneurship education, which were carried out in-class mode, practice-oriented mode and mixed mode respectively. In 2005, 6 universities were introduced into the Business (KAB) Program. In 2008, the government gave strong support and propaganda, calling for more schools to lead into the entrepreneurship education system [2]. There were few empirical researches on entrepreneurship education at present in China, thus based on this survey reports show that they were sent out 680 questionnaires, survey items concludes the levels of entrepreneurship education that the student received, student self-perception in their respective areas, and also their entrepreneurial intention. Several conclusions are drawn to the research data, the more entrepreneurship education students received, the higher their entrepreneurial intention and their entrepreneurial self-sensation. Meanwhile, the research shows that students are more active in entrepreneurship related courses than in practice [8]. This phenomenon shows that the essence of entrepreneurship education is to help us understand how to think and master the mental model and how to view the world in different perspective. However, the real entrepreneurship education does not teach any knowledge or skills but can make people competent for any subject and profession. From 2010 to 2015, the Chinese government comprehensively developed the innovation and entrepreneurship education system. In 2015, Chinese State Council promulgated on "deepening the reform of higher education of documents," deepening the reform of institutions in high-ranking universities innovation entrepreneurship education, is a national strategy to drive innovation development, promote the large-scale economy efficiency is the urgently needs. The State Council has made clear requirements on strengthening creative education. In order to gradually improve the innovation and entrepreneurship reform to achieve obvious economic and social benefits, Chinese universities set up the university laboratory construction, Practical basis, Undergraduate scientific research training, University entrepreneurship education, conduct graduate on employment and entrepreneurship guidance, reform of the credit system, lunch the education platform out of school. Entrepreneurship is a solution to unemployment, while unemployment is often associated with economic development [11]. The conclusion is that in response to the weak job market, young people usually choose taking risks with business. Only with the right entrepreneurial guidance and investment can graduates create their own job employment opportunities and will create opportunities for others. Students who only by completing the skills and needed knowledge to start a business, are able to identify opportunities, understand customer perspectives, generate new ideas and develop business plans, and understand and evaluate environmental, institutional and political issues. Students who attend entrepreneurship courses tend to have a higher likelihood of starting their own business [8]. In order to enable more people to become entrepreneurs through entrepreneurship education, Chinese universities should increase courses on innovation and entrepreneurship, establish a sound learning system, hold innovation entrepreneurship competition and implement a scholarship system. Establish a flexible learning system, divided into classroom and practice mode. At the same time, the school allowing reserve two years of school status for students who have independent innovation and entrepreneurship.

### **3. Conclusion**

In the visible past, the introduction of courses related to entrepreneurship education has brought new paths to college students that are different from traditional education. Although the purpose of introducing entrepreneurship courses at the college level in some countries other than China is not exactly the same, the data all show that this type of new education model objectively promotes employment rates and reduces poverty. On the other hand, disadvantages do exist. Except for Germany and the United Kingdom, which are two of the leading economies of the European region, some countries do not have systematic and effective entrepreneurial courses [8]. Even in Germany, there are still problems such as insufficient teachers who are capable of teaching entrepreneurial education [7]. In addition, entrepreneurial education is usually introduced in colleges and universities but lacks in the

field of elementary education. Since elementary schools have almost no curriculum, which makes students unable to understand entrepreneurship early, and it also affects the cultivation of students' entrepreneurial spirits.

Countries and regions around the world show increasing attention toward entrepreneurship education. These countries believe that extensive entrepreneurial education is an effective way to reduce unemployment since more people choosing to start their own business, and which means more self-employed and family-based small companies can provide more job opportunities. However, compared with foreign entrepreneurial education, the one in China still target more on starting a new business, which might be due to a consideration of population in China. From our perspective, emphasizing the entrepreneurial spirits is a possible to strengthen the entrepreneurial talent, and in other words, adding the proportion of practical courses in the whole education process is a possible solution of increasing the quality of entrepreneurial education in China. Compared with foreign countries, the entrepreneurship education in China started late. It is widely known that entrepreneurship has a significant impact on economic growth. At present, entrepreneurship education in universities has gradually achieved various large and small enterprises, and also provided talents for enterprises. However, many graduates are still stuck in the high risk and uncertainty of entrepreneurship. The emergence of entrepreneurship education can enhance students' confidence in entrepreneurship, and the necessity of entrepreneurship education can be well determined according to [12].

However, unlike other countries, there is no consensus on entrepreneurial education in some parts of China. To be more precise, the consensus is that entrepreneurial education should guide students on how to create employment opportunities rather than how to start a new business. As a country with a large population, the distribution of educational resources is not balanced enough in China. Even though world-class universities have set up comprehensive entrepreneurial programs from the level of undergraduates to graduates to cultivate students' entrepreneurial spirit, many ordinary universities still have not seized the theme of creating opportunities to carry out entrepreneurial education. The clear difference represents the different emphasis of universities on entrepreneurial education. However, the different ways of looking at entrepreneurship in different universities may also depend on the surrounding entrepreneurial environment. Therefore, in order to better carry out entrepreneurship education, this article still needs to pay attention to students' opinions on entrepreneurship education courses, and continuously improve and optimize the courses by collecting students' feedback on the courses.

### **Authors' contributions**

These authors contributed equally.

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