



## Entrepreneurship Education among Indian Youth: Challenges and Prospects

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### Abstract

*It is a general conception in India that entrepreneurship is an innate ability of an individual. It is also true that the individual who is trained to entrepreneurship through formal education has an advantage when they try to become the entrepreneurs. Thus, the risk of being failure in entrepreneurship can be curtailed to an extent. Keeping this in view this paper is written to bring forth the entrepreneurship education programs, and the challenges of entrepreneurship education faces in Indian context. A detailed understanding of the entrepreneurship education process and structure is understood through literature review. Keeping in view the importance or need for entrepreneurship in the youth, specific literature related to youth and data is analyzed to understand the constraints and barriers to youth entrepreneurship. Thus, this paper gives a holistic idea about the entrepreneurship education for youth in India and its challenges.*

**Keywords:** Entrepreneurship, Education, Youth

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### I. Introduction

In the generation of Start-ups, Entrepreneurship has become a very important economic activity in India. It adds economic value to the society through wealth creation and employment generation. It is also seen as an important tool to alleviate unemployment too. Thus, entrepreneurship education to youth in India has seen limelight in the recent years. Though there are controversies on whether entrepreneurship can be taught, like in what B school is a successful tea seller educated, remains a valid question but keeping it aside, realizing the need for entrepreneurship education, many B schools in India quickly jumped into this arena, developed entrepreneurship courses to teach the youth. This article explores the entrepreneurship education in India and their orientation towards youth is understood through literature. By doing so, few challenges faced by youth are identified too in Indian context. Even if those challenges are addressed, what are the barriers to the youth at the implementation level, meaning the problems youth face in becoming entrepreneurs is also looked in to providing a literary basis.

### Importance of entrepreneurship education

Despite being criticized as not having succeeded to give assurance to people who want to be an entrepreneur through 'formal' training and education, we must acknowledge that there are several advantages for the ones who get formal training and education when they try to become entrepreneur. The possibility of success in entrepreneurship will increase by expertise in certain areas because they can help to curtail the failure risk of being entrepreneur, which is risk of career, family, finance, social and physical risk (Liles, 1974).

To minimize the possibility and impact of risk, there are methods which can be scholarly learned through formal education, as marketing, supply chain, sales forecasting, finance, human resources, logistics, statistics, and so on. Currently, many universities, colleges, institutions, NGOs are offering specific education on entrepreneurship at undergraduate and post graduate level for the individuals who are interested in becoming an entrepreneur (Gartner, 1989).

The interesting point is that most of the schools of entrepreneurship did endow with the essential skills and training for being an entrepreneur, such as managing people, managing finance, marketing, statistics and so on. However there seems a lack of soft skills and building characteristics are to be included in the core curriculum of the schools as schools of entrepreneurship tend to prepare the students with the tools of entrepreneurship not understanding that there are many other factors which are important that play beside the formal necessary skills that they have provided. The aim is that entrepreneur education should be considered as the extension of the entrepreneurship itself (Sexton & Bowman, 1984).

**Definition and classification of entrepreneurship education**

Linan (2004) and Pribadi (2005) define the type of entrepreneurship education in following four categories:

*Table1: Entrepreneurship education programmes*

S. No.	Entrepreneurship education category	Description
1.	Entrepreneurial awareness education	The major objective of entrepreneurial awareness education is to enhance the awareness of entrepreneurial understanding among the individuals. Therefore, this educational category would not help directly in flow of more entrepreneurs. This would be based on one or more of the elements that identify the intention, but not directly on intention.
2.	Education for start-up	This would consist on the training how to be the proprietor of a small business. The training would concentrate on the practical features associated with the start-up phase: legal regulation; how to obtain funds; taxation; marketing; resource planning; etc. (Curran & Stanworth, 1989)
3.	Education for entrepreneurial dynamism	The objective behind would not only be to move up the intention to become an entrepreneur, but also the intention to create and develop dynamic behaviours when the business is already in operation.
4.	Continuing education for entrepreneurs	This education focuses on adult education in general, specially designed for the existing entrepreneurs to allow improvement in skills, talent, capability and abilities (Weinrauch, 1984).

**Challenges faced by entrepreneurship education in India**

The curriculum, content and course delivery of entrepreneurship education in India is quite similar to that of general business management courses. While these programmes needed to be specifically designed for enhancing students’ knowledge and skill base and should be relevant according to the current scenario (Gupta, 1992; Hostager & Decker, 1999). Following are the challenges suggested by Rehman & Elahi (2012) for entrepreneurship education in India:

*Table 2: Challenges of entrepreneurship education in Indian context*

S. No.	Challenges	Explanation
1.	Cultural barriers	Entrepreneurs can only become successful in a world where cultural norms permit variability in the choice of career. Unfortunately, consisting of a network of benefits Indian culture in many ways act counter to entrepreneurship. For example, people in India consider that being passive with status quo is good for the inner soul; they think that mental peace can be gained from spiritual calm rather than from materialism. Being an entrepreneur, one need to work for long hours and this has kept some individuals away from their own start-ups. As compared to other parts of the globe Indians place their family life first.
2.	Difficulties of start-ups	Initializing a venture in India is costly in terms of cost involved and time required. In India it takes 89 days to start a business as compared to 2 days in Australia, 5 days in United States. Even in neighbouring countries it takes 24 days in Pakistan, 21 days in Nepal and 35 days in Bangladesh. The cause for such delay is bureaucratic- too many rules and too much paperwork (Gupta, 2004). Undertaking business activity in India is not an easy task (Gupta, 2004). There are a lot of problems in starting an own enterprise like absence of a suitable entrepreneurial climate, lack of access to relevant technology, and lack of infrastructure services. Majority of the time of Indian entrepreneurs are wasted to arrange electricity, water, transportation and licensing.
3.	Incomplete entrepreneurship education	A research conducted by Entrepreneurship Development Institute (EDI) reveals that young guys due to lack of confidence and lack of knowledge are afraid to start they own ventures. If individuals are properly trained they have the opportunity to change jobs or become a businessman. With the conventional education that students receive in university they are not confident.
4.	Lack of a standard framework	Entrepreneurship education has diverse forms, widely spread and has good number of stakeholders. The biggest challenge to the development of

S. No.	Challenges	Explanation
5.	Dependence on government	entrepreneurship education in India is the lack of a standard framework. Dependence on government is also a big challenge before entrepreneurship education in India. Lack of sustainable business model and inadequate private- sector involvement in entrepreneurship education act as barrier to its development in India.

*Adapted: Rehman & Elahi (2012)*

### **Educational process and structure**

Bechar & Toulouse (1991) describe a structure form educational sciences to compare four educative orientations. Out of four three of these: conformist, adaptive and transformative are pedagogical approaches which concentrates on content of course. The fourth one alternative orientation is an adragogical approach which focuses on the process of education. They put forward that, unfortunately, the pedagogical approach model is main model in entrepreneurship education courses. They further recommends that a conversion to the alternative orientation is good as it very well put together the recent theories on adult education, learning and entrepreneurship.

Ulrich & Cole (1987) emphasis of adopting an interactive approach in education to potential entrepreneurs, they also stress on the significance of successful learning experiences in generating and mounting interest in entrepreneurship. Entrepreneurial learning approach inclination are reliable with active participation and better opportunities to participate in the classroom would enhance student awareness and develop the ability to learn from experience. Emphasis of entrepreneurship education should be on improving entrepreneurial skill development and on the importance of learning the skill to learn as an ongoing process rather than on conventional contents of management courses (Dana, 1987).

Leclerc (1985) argued that a link should be developed between the universities and the small business community. He also concluded that business schools should rethink their mission and refocus their efforts on business by perhaps splitting programmes between business and management. A completely new concept is required that includes functional differentiation, rationalisation, flexibility and customisation, practice and participation, technological receptivity and internationalisation (Vesper, McMullan & Ray, 1989). Kao (1994) argues for the design of entrepreneurship education as an independent academic discipline.

Entrepreneurship education is a system to boost entrepreneurial behaviours and to build the gaps between the functional areas (Ivancevich, 1991). McMullam & Long (1987) and McMullan (1988) highlights the significance of entrepreneurship education to economic development of a country and view entrepreneurship education as a component of the community support infrastructure. Ronstadt (1987) summarize the objectives, structure of course and content of course on entrepreneurship and argues for the need to develop programs of entrepreneurship. Vesper & McMullan (1988) maintain the idea of offering programs on entrepreneurship and also outline the elements of course on entrepreneurship.

Plaschka & Welsch (1990) put forward two frameworks of programs on entrepreneurship. The first combines the scope of number of courses and degree of integration. The second combines the scope of number of disciplines and shift of stages in a firm.

Gibb (1993 and 1994) discuss the differences among entrepreneurship, enterprise and small business and uses it as a basis to build up a model of enterprise education which include incorporating the essence of enterprise into the classroom environment, a project management task structure for learning under conditions of uncertainty and an enterprising teaching mode. Gibb also argues that the combination of these elements will kindle enterprising performance and other related abilities and qualities not only in students but also in entrepreneurs.

Curran and Stanworth (1989) put forward a framework for entrepreneurship education consisting of four types: i) entrepreneurial education; ii) education for small business and self employment; iii) continuing small business education; and iv) small business awareness education and concludes that "the main limitations of any argument of entrepreneurship education are the lack of research of its character, accessibility and efficiency".

Harrison & Leitch (1994) proposes that leadership, organisational change and constant learning are themes that replicate the new concept associated with entrepreneurship education. They also argues for the requirement to utilise latest developments in the field of leadership research when studying entrepreneurship. Hood & Young (1993) develops as academic structure consisting of four primary areas: i) content; ii) skills and behaviour; iii) mentality; iv) personality where successful entrepreneurs must be developed.

### **Youth entrepreneurship**

Various organisations and researchers around the globe define youth in a different way narrowing down youth by specific age. Youth Business International (YBI) defines youth as up to age 35, while United

Nations (UN) defines youth as ages 15-24. Additionally, there are more entrepreneurs in the age group of 25-34 than any other age range (Kelley, Singer & Herrington, 2011), this recommends a broader age range.

**Youth specific entrepreneurship literature and data**

Youth focused research in entrepreneurship is still in its infancy and as a result very limited literature and data is available. Young entrepreneurs may come upon restraints to a greater degree or even additional restraints (Ellis & Williams, 2011). Chigunta (2002) suggests a transitional categorisation in three groups by age: i) formative stage of pre-entrepreneurship (15-19 years); ii) growth stage of budding entrepreneurs (20-25 years); iii) the prime stage of emergent entrepreneurs (26-29 years). Lewis & Massey (2003) and Schoof (2006) provide a more analytical structure for young entrepreneurs, they differentiate four types of budding young entrepreneurs along a continuum of the level of readiness, e.g. i) level of skills; ii) exposure of enterprise; iii) level of intention; iv) engagement in entrepreneurial activity.

Youth entrepreneurship has gained significance in last few years in many countries with improved curiosity in entrepreneurship as a method of boosting economic competitiveness and promoting regional development (Dash & Kaur, 2012). Although youth entrepreneurship is an under- explored area in academic and policy debates, two major aspects account for its increasing attention in developed countries. The first one is the increased unemployed youth as compared to the rest of the population; and the second one is the need for superior competitiveness. In simple means youth unemployment is associated with: firstly, the tricky changeover from school to work; secondly, employers not willing to employ raw youth; and thirdly, in an effort to find a suitable job youth normally changes job (United Nations, 2003). Young people think that working for themselves as a career option since it offers them an interesting job, freedom and autonomy which other working atmospheres might not provide (Greene & Storey, 2005).

A variety of qualities illustrates young entrepreneurs in contrast to their adult counterparts and while young people are more probable to have positive attitudes towards self-employment, reality obstructs them. Because of limited resources, less life and work experience, young entrepreneurs face greater barriers than older age group people (Schoof, 2006; Blanchflower & Oswald, 1998).

Meager, Bates & Cowling (2003) identify positive advantages to stimulating youth entrepreneurship:

- There is high possibility that young entrepreneurs will higher motivate fellow youths
- Young entrepreneurs possibly be particularly receptive to new economic opportunities and trends
- Young entrepreneurs are good in working on computers and are technically advance
- Young people are likely to start their business with high growth sector
- Young people coupled with entrepreneurial skills can prove to be better employer

Those individuals who became entrepreneurs had higher “life satisfaction” as compared to youth in the same age group. Young men were more likely to be entrepreneurs than young women (Blanchflower & Oswald, 1998). Tackey & Perryman (1999) argued that young graduates who started a business are mainly motivated by flexibility and need for independence as compared to job security or resources. Moreover, young people are more innovative and create new forms of self-determining job (Belussi, 1999).

**Constraints and barriers to youth entrepreneurship**

A pool of researchers has concluded with a list of barriers and constraints for youth entrepreneurship.

*Table 3: Barriers and antecedents for youth entrepreneurship*

S. No.	Barrier	Antecedent	Supporting author
1.	Enterprise culture	Socio-cultural and ethical obstacles	Nafukho (1998)
		Enterprise culture	Nasser, Du Preez & Herrmann (2003); Schoof (2006)
		Socio-cultural attitudes	Weeratunge (2007)
		Overall cultural environment	Blokker & Dallago (2008)
2.	Entrepreneurship education	Entrepreneurship education	Nafukho (1998); Blokker & Dallago (2008)
		Entrepreneurial attitude and skills	Schoof (2006)
3.	Enabling environments for youth entrepreneurship	Conducive environment	Capaldo (1997); Nafukho (1998); Owualah (1999); Llisterra, Kantis, Angelelli & Tejerina (2006)
		Regulatory framework	Nasser, Du Preez & Herrmann (2003)
4.	Access to affordable financing	Affordable financing	Blanchflower & Oswald (1998); Owualah (1999); Greene (2005); Llisterra, Kantis, Angelelli & Tejerina (2006); Blokker & Dallago (2008)

5.	Relevant business development services and supports	Administrative and legal knowledge	Llisterri, Kantis, Angelelli & Tejerina (2006)
		Elaboration of business plan	James-Wilson & Hall (2006)
		Knowledge of how to run routine business operations	Owualah (1999); Blokker & Dallago (2008)

*Adapted: Christenses & Simpson (2009)*

## II. Conclusion

It was observed that despite of the challenges in Entrepreneurship education in India, the youth is also facing the barriers in their journey to become entrepreneurs. After analyzing the literature, it is to be understood that there is need for the organizations, government bodies and institutions running the entrepreneurship courses for youth should focus on practical aspects of how youth can be foolproof from risks of failure as entrepreneurs. Thus, understanding the traditional entrepreneurial methods of India and observing the vibrant Indian markets in respect to MSME entrepreneurs, the curriculum should be designed adding such values. A very detailed study about the behavioral patterns of the Indian consumers and inclusion of such study will provide a glimpse to the youth in venturing into businesses as entrepreneurs.

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