Challenges and Prospects Entrepreneurship Education among Indian Youth: A Study


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Abstract: In India, there is a prevailing belief that entrepreneurship is an inherent trait in individuals. However, it is also true that individuals how receive formal education in entrepreneurship have an advantage when embarking on entrepreneurial endeavours. This educational background can significantly reduce the risk of failure in entrepreneurship. With this perspective in mind, this paper aims to shed light on entrepreneurship education programs and the challenges they face within the Indian context. To achieve a comprehensive understanding of entrepreneurship education, we conducted a thorough review of relevant literature. Additionally, we examined specific literature and data pertaining to youth to uncover the obstacles and barriers hindering youth entrepreneurship. Consequently, this paper provides a comprehensive overview of entrepreneurship education for the youth in India and the challenges it encounters.

Keywords: Entrepreneurship, Education, Youth

1. Introduction:

1.1 Importance of entrepreneurship education:

Despite facing criticism for not fully guaranteeing success for aspiring entrepreneurs through formal training and education, it is essential to recognize that there are numerous advantages for individuals who undergo formal training and education when pursuing entrepreneurship. Developing expertise in specific areas can significantly reduce the risk of failure in entrepreneurship, which encompasses risks to one's career, family, finances, social standing, and physical well-being (Liles, 1974). To minimize the probability and impact of these risks, there are methods that can be systematically acquired through formal education, including disciplines such as marketing, supply chain management, sales forecasting, finance, human resources, logistics, and statistics, among others. Currently, numerous universities, colleges, institutions, and NGOs offer dedicated entrepreneurship education programs at both undergraduate and postgraduate levels for individuals interested in becoming entrepreneurs (Gartner, 1989).

An intriguing observation is that most entrepreneurship programs do indeed equip students with essential skills and training in areas such as personnel management, financial management, marketing, and statistics. However, there appears to be a deficiency in addressing soft skills and character-building aspects in the core curriculum of these programs. Entrepreneurship schools often focus on providing students with the tools of entrepreneurship, sometimes overlooking the importance of other factors that operate alongside the formal skills they impart. The goal should be to view entrepreneurial education as an extension of the entrepreneurial journey itself (Sexton & Bowman, 1984).

2. Definition and classification of entrepreneurship education

Linan (2004) and Pribadi (2005) categorize entrepreneurship education into four distinct types as follows:
Table1: Entrepreneurship education programmes

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<tr>
<th>S. No.</th>
<th>Entrepreneurship education category</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.</td>
<td>Entrepreneurial awareness education</td>
<td>The primary aim of entrepreneurial awareness education is to elevate individuals' understanding of entrepreneurship. Consequently, this category of education may not directly contribute to the increase in the number of entrepreneurs. Its focus lies in shaping one or more elements that signify intention rather than influencing intention itself.</td>
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<td>2.</td>
<td>Education for start-up</td>
<td>This would entail training individuals on how to become proprietors of small businesses, with a specific emphasis on the practical aspects related to start-up phase. The training would cover various crucial elements, including legal regulations, securing financing, taxation, marketing strategies, resource planning, and more (Curran &amp; Stanworth, 1989).</td>
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<td>3.</td>
<td>Education for entrepreneurial dynamism</td>
<td>The goal here is not just to stimulate the intention to become an entrepreneur but also to foster the intention to cultivate and exhibit dynamic behaviors when managing an operational business.</td>
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<td>4.</td>
<td>Continuing education for entrepreneurs</td>
<td>This form of education primarily targets adult learners and is specially tailored for current entrepreneurs with the aim of enhancing their skills, talents, capabilities and abilities (Weinrauch, 1984).</td>
</tr>
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Entrepreneurship education in India faces various challenges, as highlighted by Rehman & Elahi (2012). The existing curriculum, content and course delivery methods closely resemble those of general business management courses. However, these programs should be tailored to better equip students with relevant knowledge and skills in accordance with the current business landscape (Gupta, 1992; Hostager & Decker, 1999). Here are challenges identified by Rehman & Elahi (2012) for entrepreneurship education in India.

Table 2: Challenges of entrepreneurship education in Indian context

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<th>S. No.</th>
<th>Challenges</th>
<th>Explanation</th>
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<td>1.</td>
<td>Cultural barriers</td>
<td>Entrepreneurial success thrives in societies where cultural norms embrace a wide range of career choices. Unfortunately, Indian cultural, despite its numerous advantages, often runs counter to the spirit of entrepreneurship. For instance, many Indians believe that maintaining the status quo and embracing positivity is beneficial for one’s inner well being. They prioritize the attainment of mental peace through spiritual serenity rather than material pursuits. Entrepreneurship demands extensive working hours, deterring some individuals from pursuing their own startup ventures. In contrast to many other parts of the world, Indians prioritize their family above all else.</td>
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Launching a business in India is both time-consuming and costly. In India, it takes 89 days to initiate a business, compared to just 2 days in Australia and 5 days in the United States. Even in neighboring countries, the process is quicker with Pakistan taking 24 days, Nepal 21 days, and Bangladesh 35 days. The primary reason for such delays is the bureaucratic hurdles, characterized by an abundance of regulations and excessive paperwork (Gupta, 2004).

Engaging in business activities in India is far from straightforward (Gupta, 2004). Various challenges hinder the establishment of new enterprises, including the absence of a conducive entrepreneurial environment, limited access to relevant technology, and inadequate infrastructure services. Indian entrepreneurs often spend a significant amount of their time arranging for essential resources such as electricity, water, transportation and licenses.

Research conducted by the Entrepreneurship Development Institute has found that many young individuals, primarily due to lack of confidence and knowledge, hesitate to embark on their entrepreneurial journeys. Hence, adequately trained, these individuals have the potential to transition from employment to entrepreneurship. The traditional education provided in universities often leaves students lacking in confidence.

Entrepreneurship education in India takes various forms and involves a wide array of stakeholders, and is widely dispersed. The most significant obstacle to its advancement is the absence of a standardized framework. Adapted: Rehman & Elahi (2012)

### 3. Educational Process and Structure

Bechard & Toulouse (1991) outline a framework from educational sciences to compare four educational approaches. Among these, three – conformist, adaptive, and transformative – are pedagogical approaches focused on course content. The fourth, the alternative orientation, is an andragogical approach that emphasizes the educational process. Unfortunately, the predominant model in entrepreneurship education courses is the pedagogical approach. They suggest that a shift toward the alternative orientation aligns well with contemporary theories on adult education, learning, and entrepreneurship.

Ulrich & Cole (1987) emphasize the importance of adopting an interactive approach in educating potential entrepreneurs. They also highlight the significance of successful learning experiences in stimulating and cultivating interest in entrepreneurship. The entrepreneurial learning approach emphasizes active participation, and increased opportunities for classroom involvement can enhance student awareness and foster the ability to learn from experience. Entrepreneurship education should prioritize the development of entrepreneurial skills and the importance of learning how to learn as an ongoing process, rather than focusing solely on conventional management course content (Dana, 1987).

Leclerc (1985) argues for the establishment of a connection between universities and the small business community. He concludes that business schools should reconsider their mission, possibly dividing programs between business and management. A novel concept is needed that includes functional differentiation, rationalization, flexibility, customization, practice, and participation, as well as technological receptivity and internationalization (Vesper, McMullan & Ray, 1989). Kao (1994) advocates for the design of entrepreneurship education as an independent academic discipline.

the importance of entrepreneurship education in the economic development of a country and view it as an integral part of the community support infrastructure. Ronstadt (1987) outlines the objectives, course structure, and content of entrepreneurship courses, advocating for the development of entrepreneurship programs. Vesper & McMullan (1988) endorse the idea of offering entrepreneurship programs and outline course components. Plaschka & Welsch (1990) present two frameworks for entrepreneurship programs. The first assesses the scope in terms of the number of courses and the degree of integration. The second evaluates the scope in terms of the number of disciplines and the stages of a firm's development.

Gibb (1993 and 1994) discuss the distinctions between entrepreneurship, enterprise, and small business and use them as the basis for constructing a model of enterprise education. This model includes integrating the essence of enterprise into the classroom environment, employing a project management task structure for learning in uncertain conditions, and adopting an enterprising teaching approach. Gibb argues that these elements will stimulate enterprising performance and related skills and qualities in both students and entrepreneurs.

Curran and Stanworth (1989) propose a framework for entrepreneurship education consisting of four types: i) entrepreneurial education; ii) education for small business and self-employment; iii) ongoing small business education; and iv) small business awareness education. They conclude that "the main limitations of any argument regarding entrepreneurship education lie in the lack of research on its nature, accessibility, and effectiveness."

Harrison & Leitch (1994) suggest that themes such as leadership, organizational change, and continuous learning reflect the new concepts associated with entrepreneurship education. They also argue for the need to incorporate the latest developments in leadership research when studying entrepreneurship. Hood & Young (1993) develop an academic framework comprising four primary areas: i) content; ii) skills and behavior; iii) mindset; iv) personality, with the aim of developing successful entrepreneurs.

4. Youth Entrepreneurship

Different organizations and researchers worldwide have distinct definitions of youth, often specifying it based on specific age criteria. For instance, Youth Business International (YBI) categories youth as an individuals up to the age of 35, whereas the United Nations (UN) defined youth as those aged between 15-24. Notably, the largest proportion of entrepreneurs falls within the age bracket of 25-34, as indicated by Kalley, Singer and Herrington in 2011. This suggests the merit of adopting a broader age range for youth considerations in entrepreneurship.

4.1 Youth Specific Entrepreneurship Literature and data

Youth-oriented research in the field of entrepreneurship is still in its early stages, resulting in limited available literature and data. Young entrepreneurs may encounter constraints to a greater extent or even face additional limitations (Ellis & Williams, 2011). Chigunta (2002) proposes a transitional categorization based on age, dividing youth into three groups: i) the formative stage of pre-entrepreneurship (15-19 years); ii) the growth stage of budding entrepreneurs (20-25 years); iii) the prime stage of emergent entrepreneurs (26-29 years). In contrast, Lewis & Massey (2003) and Schoof (2006) provide a more detailed framework for young entrepreneurs, distinguishing four types of emerging young entrepreneurs along a continuum of readiness levels, including i) skill level; ii) exposure to enterprise; iii) intention level; and iv) engagement in entrepreneurial activities.

Youth entrepreneurship has gained significance in many countries in recent years due to increased interest in entrepreneurship as a means to enhance economic competitiveness and stimulate regional development (Dash & Kaur, 2012). Despite being an under-explored area in academic and policy discussions, two major factors contribute to the growing attention on youth entrepreneurship in developed nations. Firstly, the rising unemployment among youth compared to other age groups, and secondly, the need for greater competitiveness. In essence, youth unemployment is associated with the challenging transition from school to work, reluctance among employers to hire inexperienced youth, and the tendency of young people to switch jobs in pursuit of a suitable career (United Nations, 2003). Young individuals view self-employment as an attractive
career option because it offers an engaging job, freedom, and autonomy that other work environments may not provide (Greene & Storey, 2005).

Several distinctive qualities differentiate young entrepreneurs from their adult counterparts. While young people tend to have positive attitudes toward self-employment, they face greater obstacles due to limited resources, less life and work experience, as noted by Schoof (2006) and Blanchflower & Oswald (1998).

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

- Young entrepreneurs are more likely to motivate fellow youths.
- They tend to be receptive to new economic opportunities and trends.
- They are proficient in working with computers and are technologically advanced.
- Young people often initiate businesses in high-growth sectors.
- Coupled with entrepreneurial skills, young people can become effective employers.

Individuals who become entrepreneurs report higher "life satisfaction" compared to their non-entrepreneurial peers in the same age group. Young men are more likely to become entrepreneurs than young women (Blanchflower & Oswald, 1998). Tackey & Perryman (1999) argue that young graduates who start businesses are primarily motivated by flexibility and a desire for independence, rather than job security or available resources. Furthermore, young people tend to be more innovative and create new forms of self-employment (Belussi, 1999).

4.2 Constraints and barriers to Youth entrepreneurship

A group of researchers has identified a range of obstacles and constraints that hinder youth entrepreneurship.

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<th>S. No.</th>
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<th>Antecedent</th>
<th>Supporting author</th>
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<tbody>
<tr>
<td>1.</td>
<td>Enterprise culture</td>
<td>Socio-cultural and ethical barriers</td>
<td>Nafukho (1998)</td>
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<td></td>
<td>Enterprise culture</td>
<td></td>
<td>Nasser, Du Preez &amp; Herrmann (2003); Schoof (2006)</td>
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<td></td>
<td>Socio-cultural attitudes</td>
<td></td>
<td>Weeratunge (2007)</td>
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<td></td>
<td>Overall cultural environment</td>
<td></td>
<td>Blokker &amp; Dallago (2008)</td>
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<tr>
<td></td>
<td>Entrepreneurial attitude and skills</td>
<td></td>
<td>Schoof (2006)</td>
</tr>
<tr>
<td>3.</td>
<td>Enabling environment for youth entrepreneurship</td>
<td>Conducive environment</td>
<td>Capaldo (1997); Nafukho (1998); Owualah (1999); Listerri, Kantis, Angelelli &amp; Tejerina (2006)</td>
</tr>
<tr>
<td>4.</td>
<td>Access to affordable financing</td>
<td>Affordable financing</td>
<td>Blanchflower &amp; Oswald (1998); Owualah (1999); Greene (2005); Listerri, Kantis, Angelelli &amp; Tejerina (2006); Blokker &amp; Dallago (2008)</td>
</tr>
</tbody>
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Adapted: Christenses & Simpson (2009)

5. Conclusion

In conclusion, it is evident that despite the challenges faced in entrepreneurship education in India, young individuals encounter barriers on their path to becoming successful entrepreneurs. After a thorough review of the literature, it becomes clear that there is a pressing need for organizations, government bodies, and
institutions offering entrepreneurship programs for youth to shift their focus towards practical aspects that can shield young entrepreneurs from the risks of failure. Taking into account the traditional entrepreneurial practices in India and the dynamic Indian markets, it is essential to design curricula that incorporate these values. Furthermore, conducting an in-depth analysis of the behavioral patterns of Indian consumers and integrating such studies into the curriculum can provide aspiring young entrepreneurs with valuable insights as they venture into business ventures. This holistic approach can better prepare and equip the youth to navigate the challenges and opportunities of entrepreneurship in India.

References