

## On the plight of college students' entrepreneurship

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### Abstract

**College students' entrepreneurship is the urgent need to realize the national innovation-driven development strategy, but at present, there are many obstacles in college students' entrepreneurship, the situation is not optimistic. This paper discusses and analyzes the plight of college students' entrepreneurship, and finally puts forward some countermeasures.**

### Keywords

**Innovation, entrepreneurship, obstacle, school enterprise cooperation.**

### 1. Introduction.

With China's "New Normal" economic development, "Public Entrepreneurship, Innovation" has become one of the important strategic policies to promote social and economic development. College students, as the younger generation of pioneers of the new economic situation, have more professional knowledge and better innovative characteristics, and naturally become the driving force of innovation and entrepreneurship. College students' entrepreneurship can not only solve the employment problem of college students, help them to complete their life planning, but also create employment opportunities, improve the economic level, and improve the quality of life of the people. It may even fundamentally change the socio-economic structure.

### 2. The plight of college students' entrepreneurship

Although society and government support college students' entrepreneurship and always provides help for them, the road of college students' entrepreneurship is still difficult. As a result, the number of college students starting their own businesses has been increasing year by year, but the number of college students achieving success has never been increased, and kept at a lower level. There are three main reasons for the plight of college students' entrepreneurship, namely lack of educational support, lack of financial support, and lack of social support. Each of these is analyzed below.

#### 2.1 Lack of educational support

With the slogan of "Public Entrepreneurship, Innovation" from the central government, colleges and universities have also strengthened the education and training of college students' entrepreneurship, and are constantly exploring more mature training programs, but there are still shortages, which include two aspects.

##### 2.1.1 A shortage of entrepreneurial talent.

The number of college students starting a business increases every year, but the proportion of the total number of college students is still low. In 2013 and 2014, the proportion of college students starting their own businesses was 2.3% and 2.9% respectively. In 2015, the proportion of college students' entrepreneurship increased to 6.3% after the slogan of "Public Entrepreneurship, Innovation" was put forward. But the good situation didn't last long. In 2016, the proportion of college students' entrepreneurship was 3.1%, decreased by half to. Such data bear no comparison with that in the United States and other Western developed countries (20%-30%). The average entrepreneurial success ratio of 10% in China is much lower than that in western developed countries (30%). Therefore, China's entrepreneurs are still scarce, not to mention the entrepreneurial talent reserve. Such a situation results from the entrepreneurial will of college students and the impact of college

publicity and education, which cannot be ignored. According to the survey, in 2016, the desire of new college graduates to start their own businesses weakened significantly, and more of them chose employment, or continued to study.

### **2.1.2 Immature entrepreneurial education system.**

The lack of complex knowledge required by college to start their own businesses is also one of the important reasons for their failure or even fear of starting their own businesses. Starting a business is a complex project, the knowledge required to complete it is wide and complicated, in addition to understanding the innovative production of products, entrepreneurs need to master the relevant knowledge of business administration, and need legal knowledge escort. Even though college students often work as a team and have a clear division of labor, the basic knowledge of the subject learned in school is still not enough to deal with the problems encountered in practical management. To a large extent, this limits the proportion of college students starting their own businesses and the proportion of success. The educational system of universities is an important reason for this phenomenon. Some universities even pay little attention to the relevant education of entrepreneurship.

## **2.2 Inadequate financial support**

The source of capital is also one of the predicaments for college students to start their own businesses. College students are subject to subjective and objective restrictions, leading to a single source of absorption of venture capital. Family funds are the most important source of funds for college students to start their own businesses. However, this financing method is not only affected by the family economic situation of the entrepreneurial team, but also increases the psychological burden of the entrepreneurial team. Other ways of absorbing funds are also difficult for college students.

### **2.2.1 Weak financing consciousness and ability.**

College students' poor awareness of financing directly leads to a single source of funds. More college students do not have related financial knowledge, have only a sketchy knowledge of financing, credit, venture capital, etc., resulting in missing a lot of financing opportunities. At the same time, the team ability of college students is different, the quality of entrepreneurial projects is not uniform, few entrepreneurial projects can win the investment funds. So the weak financing consciousness and ability is one of the difficulties for college students to start their own businesses.

### **2.2.2 Low proportion of government funds.**

advantages are that the interest cost is lower, even is zero, and the investor's credit risk is extremely low. But its disadvantages are also very obvious: too narrow investment coverage and too many investment restrictions, too high entry threshold, cumbersome and time-consuming application process, excessive demand, opaque review and evaluation mechanism and inadequate supervision of the review and evaluation mechanism. All these have greatly reduced the possibility for college students to seek government funds.

### **2.2.3 Hidden obstacles in bank policy on venture capital loans.**

At present, most of the domestic banks and government departments have issued various policies to support college students' entrepreneurial projects, mainly to provide loans. But most banks have higher funding threshold and harsh requirements. For example, before the college students apply for financial assistance, the income and property of the individual and the family should be reviewed, to determine whether or not they have certain repayment ability, and even borrowers should provide guarantee materials to reduce the risk of bank loans. Yes, mortgages and guarantees are prerequisites for college students to start their own businesses. In fact, most new college graduates do not have enough financial credibility to obtain credit loans, let alone venture capital loans. These restrictions have created a huge hidden obstacle to college students who have the desire to start their own businesses, especially the ones with poor family financial situation.

### 2.3 Lack of social support

In the cultivation of innovative talents, the improper cooperation between school and enterprise makes it difficult for college students to start their own businesses. Under the situation of innovation and entrepreneurship education, colleges and universities have held out olive branches to enterprises, hoping to train innovative college students together with enterprises to meet the needs of the market for innovative college students. But in the current market, the success rate of entrepreneurship is low, the profit is low, and the time is long, quenching the enthusiasm of the enterprise to cooperate efficiently to complete the entrepreneurship training program. This leads to a single and rigid form of cooperation between universities and enterprises which cannot be carried out more formally for a long time. As a result, the cultivation of innovative entrepreneurial college students is full of parochialism, uncertainty and irregularity.

### 3. Brief analysis of the countermeasures

In view of the difficulties faced by the college students starting their own businesses, this paper simply puts forward several solutions. First of all, starting with education, strengthen the publicity of college students' innovation and entrepreneurship, enhance their desire to start their own businesses, introduce the basic knowledge needed for college students to start their own businesses, and lead them to learn their entrepreneurial skills independently. In order to increase the proportion of college students' entrepreneurship and increase the success rate of entrepreneurship, improve the students' understanding of innovation and entrepreneurship. Secondly, from the capital, optimize the credit index evaluation on college students' venture capital loan and the evaluation of governmental entrepreneurial help fund application, increase the fund support, strengthen the publicity of financing methods such as investment. Finally, cooperate with colleges and universities, encourage enterprises in cultivation of innovative entrepreneurial talents, to consolidate the cooperative links between universities and enterprises, to help students get more comprehensive innovative entrepreneurship training.

### 4. Conclusion

Under China's "New Normal" economy situation, encouraging and guiding college students to start their own businesses is still of great significance for developing high-quality entrepreneurial resources, promoting the transformation of industrial structure, and realizing the sustainable development of economic and social development. Although college students still have a lot of obstacles in starting their own businesses, the current situation is not optimistic, it is not beyond the bounds of possibility that we'll achieve the goal of "public entrepreneurship, innovation" one day, as long as we still persist in the development of innovation and entrepreneurship, and solve the problems one by one.

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