A Supportive Ecosystem for Entrepreneurship Education and Training in South Korean Universities

Tong Park
1. Introduction
   - Current Economic and Social Situation in Korea
   - Purpose of Entrepreneurship Education

2. Research Design
   - Definition of the ecosystem for entrepreneurship education and Training
   - Methodology of the research

3. Main Findings
   - Main points from the survey results
   - Useful implications of findings

4. Policy Recommendations
   - Recommendations for the invigoration of youth entrepreneurship
1 INTRODUCTION

Current Economic & Social Situation in Korea

Youth Employment Cliff in Korea

Global economic downturn ➞ the serious crisis of Korean manufacturing industries

(Left) The youth employment rate is drastically falling and remains stagnant
(Right) The rate of increase in the number of employed persons keeps constantly decreasing

※ 59.4% of univ. students took a temporary leave of absence or deferred their graduation to build up unnecessary personal history (FKI, 2013)

Note: (Left) Surveyed every February (age 15-29)
Source: Statistics Korea
Deepened Income Inequality in Korea

The average income of the top 10% of the population earned 4.85 times that of the bottom 10% in 2010 and is getting worse.
Population in Korea

- One of the countries with the lowest birth rates in the world
  - Total fertility rate: 1.25 (219th) as of June 2014
- The fastest aging country in the OECD
  - Korea will disappear first among all countries because of population reduction
Government strives for fostering entrepreneurship mind-set

- EEC (Entrepreneurship Education Center) in universities to provide youth entrepreneurship education and training program
Based on the survey about university students’ entrepreneurship activities to find a key part of building the ecosystem for entrepreneurship education in Korean universities.
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Operational Definition of the Ecosystem for Entrepreneurship Education

1 Daniel Isenberg

BEEP Project (Babson Entrepreneurship Ecosystem Project)

★ Entrepreneurship Ecosystem: Entrepreneurs get easy access to manpower, finance and knowledge resources and the government.

Source: Isenberg (2011)
The Startup Genome report (in partnership with Telefonica Digital)

Analysis of the entrepreneurship ecosystem in each country by survey from more than 50,000 start-up experts (8 index)

Which country has the most advanced entrepreneurship ecosystem?

1. Silicon Valley (United States)
2. Tel Aviv (Israel)

Singapore (17th) and Bangalore of India (19th) in Asia

OECD report

OECD Entrepreneurship Indicators Programme (EIP)

To build comparable statistics on the status of entrepreneurship internationally

- Compare and analyze the entrepreneurship ecosystem in different countries

6 Categories of Entrepreneurial determinants

- Regulatory framework
- Market conditions
- Access to finance
- Knowledge creation and diffusion
- Entrepreneurial capabilities
- Entrepreneurship culture
<The Ecosystem of Entrepreneurship Education and Training in Korean Universities>

Promote Entrepreneurship Mind-set

Early staged Entrepreneurship Activities

Startup Stage

Entrepreneurship education

Mind-set + Practical Works

Entrepreneurship Training
- Entrepreneurship Club
- Start-up Competition
- Start-up Internship
- Capstone-design
- Laboratory Start-up

Pre-Entrepreneurship

Start-up Incubator

MOE, MOSF, SMBA

MOE, MOSF, MOEL, SMBA

MOE, MOSF, MOEL, SMBA

Source: Park Tong et al. (2014)
<Major Components of the Ecosystem for Entrepreneurship Education and Training>

Source: Park Tong et al. (2014)
Subjects
- Experts in youth entrepreneurship and University students interested in youth entrepreneurship

Methods
- A door-to-door or email research with a structured questionnaire

To investigate the actual conditions of the ecosystem for entrepreneurship education and training in Korean universities
**Youth Entrepreneurship Mindset**

1. The preference of university graduates youth for stable jobs
2. Interest of university policy-makers in youth entrepreneurship as a core strategy of their university
3. The increased possibility of employment due to entrepreneurship-related knowledge and training
4. Risk-taking from entrepreneurship activities and failure
5. Entrepreneurship support from friends and colleagues
6. Opinions about the innovation and entrepreneurship activity concentration in universities
7. Plans to start an entrepreneurship at early date

**Entrepreneurship Education**

1. Activation degree of entrepreneurship education in universities
2. Reason why the entrepreneurship education became stagnant
3. Conditions to activate the entrepreneurship education in universities
4. Degree of preparation for an entrepreneurship-friendly school system
5. The number of the students participated in entrepreneurship education
6. The sufficiency of courses and contents of an entrepreneurship education
7. Degree of effectiveness of entrepreneurship education for actual entrepreneurship activities

**Entrepreneurship Club Activities in Universities**

1. Necessity of entrepreneurship club activities
2. Experience of participation in or guidance on entrepreneurship clubs
3. Activation degree of entrepreneurship clubs
4. Reason why students’ entrepreneurship club activities slumped
5. Conditions to activate entrepreneurship student clubs
6. The number of the students participated in entrepreneurship club activities
7. The sufficiency of support for entrepreneurship club activities
<table>
<thead>
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<th>Section</th>
<th>Details</th>
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<td><strong>Entrepreneurship Support Institute in Universities</strong></td>
<td>(1) Activation degree of entrepreneurship support centers &lt;br&gt; (2) The reason why entrepreneurship support centers became stagnant &lt;br&gt; (3) Conditions to activate entrepreneurship support centers &lt;br&gt; (4) The availability of entrepreneurship support center for students desiring to be young entrepreneurs &lt;br&gt; (5) The actual benefits for students’ activities from using entrepreneurship support</td>
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<td>(1) Activation degree of an entrepreneurship training system in universities &lt;br&gt; (2) The reason why an entrepreneurship training system in universities is not active &lt;br&gt; (3) Conditions to activate an entrepreneurship training in universities &lt;br&gt; (4) Mentoring level of professors and entrepreneurship support center managers for youth entrepreneurship &lt;br&gt; (5) Frequency of meeting with successful youth entrepreneurs &lt;br&gt; (6) Universities’ efforts to activate the youth entrepreneurship training &lt;br&gt; (7) Effecting degree of entrepreneurship training on actual youth entrepreneurship</td>
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<td><strong>Financial aid to Entrepreneurship</strong></td>
<td>(1) Activation degree of outward capital investment for youth entrepreneurship &lt;br&gt; (2) Sufficiency of outward investment for actual entrepreneurship activities</td>
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<td><strong>Actual Degree of Entrepreneurship in Universities</strong></td>
<td>(1) Level of conditions for successful entrepreneurship &lt;br&gt; (2) Frequency of the sales records through actual youth entrepreneurship &lt;br&gt; (3) Degree of sharing information and experiences of professors and seniors about actual youth entrepreneurship activities &lt;br&gt; (4) Degree of cooperation with nearby industrial complexes and research institutes for youth entrepreneurship &lt;br&gt; (5) Level of successful examples that universities produced</td>
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<td><strong>National Ecosystem of Youth Entrepreneurship in Korea</strong></td>
<td>(1) Level of youth entrepreneurship activities in Korea &lt;br&gt; (2) The reason why youth entrepreneurship activities slumped &lt;br&gt; (3) Degree of contribution of governmental entrepreneurship education and training program on youth entrepreneurship activation &lt;br&gt; (4) Conditions required to improve the environment for youth entrepreneurship activities</td>
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3. Main Findings
   - Main points from the survey results
   - Useful implications of findings

4. Policy Recommendations
   - 5 recommendations for the invigoration of youth entrepreneurship
1) Survey results on scores of each component

- Youth Mindset: 57.2
- Financial aid from universities: 46.8
- Entrepreneurship education: 54.3
- Entrepreneurship support institute: 55.6
- Entrepreneurship club activities: 54.6
- Entrepreneurship training: 55
- Actual entrepreneurship in universities: 49.7

Highest: Youth entrepreneurship mindset (57.2)
Lowest: Financial aid from universities to entrepreneurship (46.8)

The structure of stability preference of youth can be changed if the ecosystem is well-equipped.
2) The interpretation gap between experts and university students

In all domains, university students rated the ecosystem for entrepreneurship education and training lower than professors and experts.
3) Fear of failure + Lack of sharing experiences on entrepreneurship

The youth feel a huge burden of entrepreneurship failure and opportunities for hearing successful stories are highly limited.
### Useful implications of findings

#### Most influential factors on youth entrepreneurship activities in Korea

<table>
<thead>
<tr>
<th>Coefficients of Regression</th>
<th>Nonstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
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<tbody>
<tr>
<td>(constant)</td>
<td>.729</td>
<td>.268</td>
<td>2.724</td>
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<tr>
<td>Youth Entrepreneurship Mindset</td>
<td>.003</td>
<td>.005</td>
<td>.016</td>
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<td>Entrepreneurship Education</td>
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<td>.053</td>
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<td>Entrepreneurship Club Activities</td>
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<td>Financial Aid to Entrepreneurship</td>
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<td>.004</td>
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<tr>
<td>Actual Degree of entrepreneurship in Universities</td>
<td>.054</td>
<td>.006</td>
<td>.462</td>
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*At a significance of 0.05, **At a significance of 0.01

#### Actual Degree of entrepreneurship in Universities
- The existence of actual successful role models in universities
- Base construction for youth entrepreneurship in universities

#### Financial Aid to Entrepreneurship
- The expansion of financial aid
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   - Recommendations for the invigoration of youth entrepreneurship
Policy Recommendations

Activation of youth entrepreneurship = one of practical solutions to current economic and social crisis in Korea

How can we make better ecosystem of entrepreneurship education and training?

1) Create successful entrepreneurship role models
2) **Beneficiary(student)-focused** entrepreneurship education and training system
3) **Strengthen** entrepreneurship training programs
4) **Practice-based** entrepreneurship education
5) Establish **government support programs** for youth entrepreneurship activities
1. **Creation of successful entrepreneurship role models**
   - Financial aid to item realization and students-led venture opening in universities
   - Establishment of a bottom-up ecosystem for entrepreneurship education and training that students take the lead

2. **Beneficiary(student)-focused entrepreneurship education and training system**
   - Current entrepreneurship education and training programs in Korean universities are performed mainly by professors and experts
     - Beneficiaries (students) should play a leading role to organize those education and training programs and actively participate in entrepreneurship activities
   - Long-term entrepreneurship education and training program
3. **Strengthen entrepreneurship training programs**

**Entrepreneurship mentors**

- **MIT Startup Competition**
  - Creating future initiative businesses through *business plan and outline contests* as entrepreneurship training programs
  - The winners win the prize as much as they can launch their new business

- **Advantage of Performance assessment**
- **Reduced lecture hours to mentor professors and experts**

- **Practice-based entrepreneurship training**

- **Startup competition**

- **Startup internship**

- **Capstone design**

- **Prototyping and Laboratory startup**

- **Almost no incentives for entrepreneurship mentors**

Now
Activate Entrepreneurship teams in universities
- Such as entrepreneurship clubs to educate and learn from each other

“Mixed Team Project” lecture (MIT, U.S.)
- 4~5 students from different majors organize one team and participate in group works
- Startup Laboratory, Global Startup Laboratory, and Innovation Team projects assume the role of a channel for actual entrepreneurship
Government support programs in each stage for youth entrepreneurship activities

Government Entrepreneurship Support System
- Private and public patents, R&D concepts, and various government data need to be shared or provided to university students
Thank You