SHS Web of Conferences **235**, 01013 (2026) https://doi.org/10.1051/shsconf/202623501013
ICEPCC 2026

Youth Entrepreneurship Behavior against the Background of Higher Education Expansion

Keyue Fan [1*]

[1]School of Environental Art, Hubei Institute of Fine Arts, Wuhan City, Hubei Province,430205, China

Abstract. Youth entrepreneurship being a hot issue in contemporary society is strongly associated with the society around. When the problem of youth entrepreneurship is tackled, then high-quality employment in the youth will be enhanced. Higher education has now been a commonplace in China in the new era. The human capital spent by youths in higher education is paying off yet the prospects of the inflation of the degree and the labour market imbalance are making youths reconsider their career choices. Entrepreneurship is also becoming one of the ways on which the youth can be offered a place of realizing their self-worth. The purpose of this paper is to summarize previous academic literature on the effects of higher education and the different conditions to become an entrepreneur. It investigates youth entrepreneurial behavior in the context of increased higher education through the analysis of the change in their entrepreneurial intentions and potentials. The research has shown that in a setting of widened higher learning where the youths are systematically educated on innovation and entrepreneurship courses provided by universities, the youths increase their entrepreneurial intentions and abilities. As a result, this base augurs well with the likelihood of successful youth entrepreneurship.

1 Introduction

Talent support in the name of national development or rather scientific education and advanced employment has also emerged as a pressing problem of this era in the contemporary society. In the year 1990, gross enrollment rate to higher education was 3.5 percent and then in 2022 the rate was 59.6 percent in China as per the National Bureau of Statistics, it indicates the increased capacity in higher education offering. Regular higher education institutions in China increased in number to 3, 013 between 1990 and 2021, continuously breeding and providing talent of high quality into the country. The enrollment increased by 609, 000 to 11.3879 million. The policy of higher education expansion in China has been in a larger scale and more effective in playing out than it is the case in other countries [1]. By 2023 the Chinese youth population aged 20-35 years has reached approximately 280 million representing a percentage of around 20 of the national population. It is a generation whose imagination and creativity have been informed by the high education system of the new generation. They constitute a critical emerging force that is pulling together mass entrepreneurship and innovation, and the major contributor of promoting the aspect of innovation in the fields of science, technology, culture, and economy.

* Corresponding author: surf040409@outlook.com

Due to the impact of the pandemic, the expansion of the global economy has reduced and the socioeconomic organization of China has been changed. On the one hand, the traditional industries are being restructured as emerging industries slowly prosper in the market. Three main industries that used to consume university graduates were real estate, education and training and internet platform economies. Nevertheless, owing to new industrial restructuring and changes in policies, educational and training based traditional industries have entered the phase of pathogenesis. The dramatic growth of competition and operational challenges between businesses has given rise to one such trend in which small and medium-sized businesses demand fewer workers in order to cut costs, consequently undermining their ability to take up labor. Being the most delicate population of the job market, young entrepreneurs have special understanding of the modern tendencies in the economy. Although increased investment in higher education in terms of enrollment will increase the number of youth who are prepared to become entrepreneurs and also improve their success, there will be disadvantages like the devaluation of educational qualifications, poor socialization of graduates and there will also be redundancy. This paper will attempt to highlight and classify the trends of youth entrepreneurship in the backdrop of higher education growth.

This paper will perform a multidimensional examination of the youth entrepreneurial behavior, on the background of higher education expansion, and the synthesis and summative findings of previous scholarly evidence. It systematizes the macro-level attributes of youth entrepreneurship based on human capital approach where the intent and abilities of young entrepreneurs are analyzed in consideration of enrollment growth in the context of revealing the trends of modern youth entrepreneurship. Based on this premise, the study does not only examine the underlying causes of the possible risks but goes ahead to offer specific solutions to the same.

2 The youth entrepreneurship and its relations to greater higher education

2.1 Young entrepreneurs after expansion of higher education demographic profile

In the huge number of young entrepreneurs there is a male entrepreneur and a female entrepreneur ratio of 76 and 24 respectively meaning that male entrepreneurs hold supreme position in the entrepreneurship market that is of the youth. Moreover, there is an upward trend in the average years of education of young entrepreneurs in 2020-2024, and it indicates the gradual growth in the level of education of current entrepreneurs [2]. Figure 1 illustrates that since 1990, the gross enrollment rate within higher education has been on an incremental upward trend, and this means that there is an incremental growth in the population of young individuals obtaining higher education. When comparing the education level of the entrepreneurs, the result shows an inverted U-shaped distribution; only 3.6 per cent have a junior high school education or less and 10.3 per cent have a high school diploma or a technical secondary school diploma, 27.7 per cent have an associate degree, 56.1 have a bachelors degree and 2.3 per cent have a masters degree or higher. In aggregate, this accounts to 86.1 percent of the total, which represents high education attainment among the population of entrepreneur with associate degrees and higher [3]. The years of education of young entrepreneurs have also continued to rise with time as depicted in Figure 2. Within the context of the increased enrollment, the greater majority of entrepreneurs have gained the primitive entrepreneurial skills by studying higher, having obtained some degree of proficiency in the professional theories.

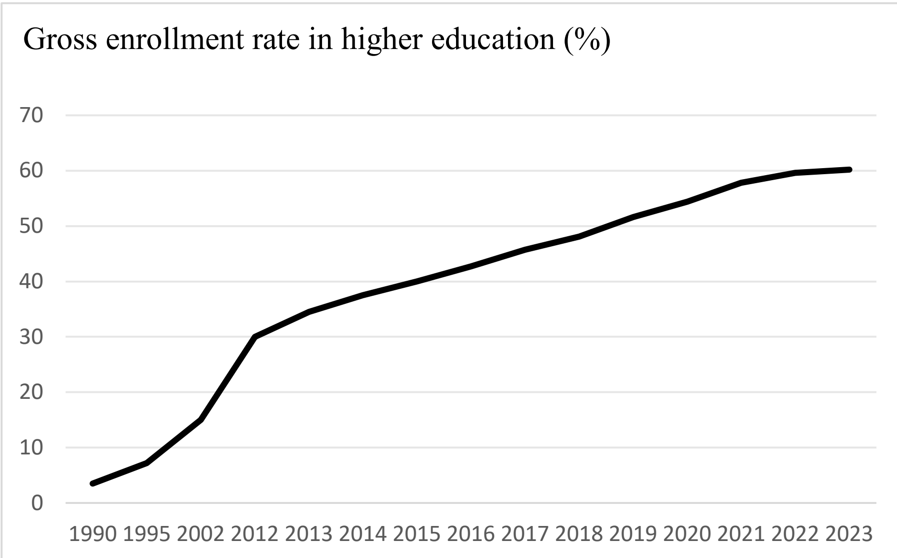

Fig. 1. Annual Changes in Gross Enrollment Rate in Higher Education [4].

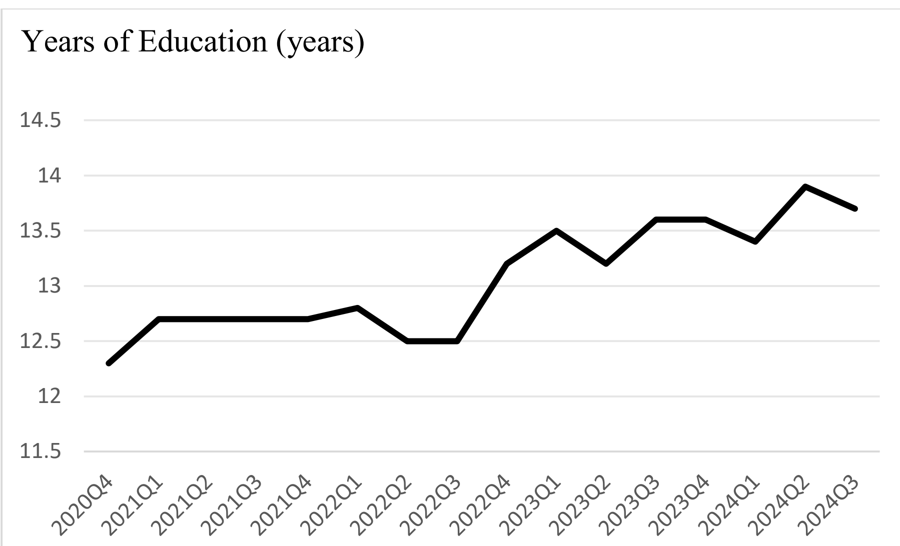

Fig. 2. Average Years of Education among Young Entrepreneurs [5].

2.2 Problems that affect youth entrepreneurship in the real world

Before the start-ups, young entrepreneurs will need to prepare startup capital. Constant, reliable, and well-coordinated financial resources are the key to successful entrepreneurship, in product delays, technology research and development, and capacity building. In the case of young entrepreneurs, starting a business without adequate capital is a direct factor in the survival of the business. The young entrepreneurs have been constrained by comparatively meager initial capital accumulation selections and portray considerably bigger financing requirements as compared to the established entrepreneurs who have mature material foundations. As a young entrepreneur, one faces a limited channel of financing which is mostly dependent on the family support. Also, they often have no well-surveyed self-positioning that would make it easier to draw investment by building core competitive advantages [6]. In the case of financing institutions, banks view youth entrepreneurship projects as being low in technological content, lack of competitiveness in the startup market and incurring high risk of investments and therefore, no financial assistance is available. Although the social institutions have displayed certain interest and support towards the youth financing, synergies have not yet been achieved [7]. Other than the problem with financing, another challenge that is encountered by young entrepreneurs is the lack of entrepreneurial experience. They find it hard to effectively address different challenges in the startup processes. As an example, young entrepreneurs tend to face more challenges when venturing into more traditional businesses when compared to other businesses that are older and more systematized with long experience in the sector. This has a direct effect on their competitiveness and rates of survival.

2.3 Distribution characteristics in the industry distribution of youth entrepreneurship

The rate of higher education expansion in major cities saw more than 30 percent rise following the measures of the policies to promote youth-led business. The percentage of highly educated entrepreneurs increased dramatically (18 percent prior to expansion, to 45 percent by 2024)[8]) showing the impact of increased human capital on scale expansion of entrepreneurship. In terms of sectoral distribution of youth entrepreneurship, the service industries have the largest share at a stable level of 82. Traditional sectors such as construction and manufacturing have significantly dropped down by about 5.6 and the entrepreneurial activity in agricultural production has recorded a clear turnaround performance of about 3.8% between 2023 to 2024[8]. This general trend indicates the prevailing status of the service economy in young entrepreneurship and revival of the agricultural innovation and entrepreneurship. In most cases, young entrepreneurs are most likely to venture into high-technological services and knowledge economic activities up to the point when the traditional sector is able to compete with these economic activities as a first option. Also, parents have a positive impact on the industry selection of a number of young enterprise owners with high education levels.

3 Younger youth entrepreneurship, altered in the environment of increased enrollment

3.1 Youth entrepreneurial intentionality change in the presence of enrollment growth

In the context of human capital, this practice does not only enhance the comprehension of the effects created by further swell of higher education admission but also allows the examination and combination of youth as one of the stakeholders in the modern entrepreneur marketplace. Human capital is the sum of knowledge, skills, cognitive ability, experience, which individuals have so education is one of the major channels through which people accumulate their capital [9]. Education gives learners an opportunity to widen their knowledge base and pursue professional possibilities. Higher education is an investment in the human capital of the youth, it has an increase in market sense and decision making ability when an entrepreneur is undertaking an entrepreneurial activity. To develop these skills, innovation and entrepreneurship courses are currently being aggressively provided in many universities. Studies show that entrepreneurial intentions among the students augment by 1.3 times upon taking entrepreneurship course [10]. Researchers have come to the conclusion that entrepreneurial knowledge gained in universities increases the entrepreneurial motivation and development levels of the graduates as well as their perception of effectiveness in the business start-up. On the whole, the increase in enrolment in higher education has not only allowed the youth to increase their human capital, through education, but also the courses on innovation and entrepreneurship taught at universities have reinforced their entrepreneurial desire.

3.2 The dynamics in youth entrepreneurial potentials in the light of enrollment multiplication

Colleges are developing the concept of science and education that integrates profoundly with the research capabilities and teaching materials to provide students with abundant practical platforms. In order to increase entrepreneurial capability, it is necessary to widen the horizons of the young generation about innovation and entrepreneurship, as well as gathered entrepreneurial experience. Universities are required today to provide universities with high caliber talent in emerging industries. The institutions are retaliating by embracing teaching models that strongly match the needs of industrial and also consolidating corporate alliances. Such a strategy converts the results of research that have been produced within the context of the higher education into physical productivity and allows students to gain experience in entrepreneurship with the help of practical work [11]. On a context of the higher education growth, universities are becoming progressively more innovative and entrepreneurial in their work by engaging in profound cooperation with corporations. The two-pronged approach increases the innovative frontiers of the youth and creates practical experience, which boosts their entrepreneurial abilities and elevates the success rate of the youth startups.

4 Potential risks and optimization strategy of youth entrepreneurship in the expanded enrollment conditions

4.1 Potential youth entrepreneurship risk in the environment of expanded enrollment

Increase in enrolment rates to higher education has increased rate of acquisition of human capital among the learned and at the same time it poses a risk of over-education. Other researchers examine that with the ongoing undergraduate entry requirements which are declining, businesses have increasingly added to employment standards in order to improve the standards of their workforce and thus creating an upward pressure on the level of education. The decision to pursue higher education levels is made by both the competent and less competent individuals as an enhancement of their core competitiveness in the job market, a culmination of the long term strategic exercise between the employers and the employees. With this background, entrepreneurship is the final answer to the early career graduate who is faced with an unbalanced job market. These projects, in most cases, tend to have a low overall level of quality motivation, capability, and risk management, hence lowering the survival rates of businesses. In addition to the risks surrounding the issue of overeducation, there is the risk of the society being blindly supportive of youth entrepreneurship. At the initial ecstatic levels of youth entrepreneurship discourse, the inoculation was full of blind encouragement and comprehension in the society. But as the hype died down, more and more negative views related to youth entrepreneurship were developed. According to some researchers, young people are not well informed about the world of entrepreneurship, so the mass media covers most of the issues surrounding popular startup projects, and not much attention is given to niche ones. This is interfering with the balance of the entrepreneurial ecosystem. This is aggravated by the poor knowledge of the market and the confusion of the young entrepreneurs with the process of registering a business, and their financial illiteracy [12]. This imbalance directly increases the competition stress to some of the ventures thus elevating stress to risks that young entrepreneurs encounter

4.2 Optimised solutions to the possible threats of youth entrepreneurship during the time of increased enrolment

The need to increase the interaction between the universities and the labor market has been suggested by some scholars. The human resources departments are obligated to liaise regularly with the universities about their industry talent requirements as well as offer policies to support modern service industries and premium manufacturing to streamline the supply-absorption infrastructure in the labor market [13]. This may be a very efficient strategy towards motivating the young to grasp the employment seriously, minimize youth productivity due to over-education and enhance their knowledge on the labor market and the business world. To some degree, it can contribute to entrepreneurial potential and performance and increase the likelihood of survival of youth-based startups. In a bid to curb the issue of irresponsible youth entrepreneurship, the protective measures of young entrepreneurs ought to be improved. Governments and university should partner to increase educational campaigns, thereby creating awareness to the youths on the risks of entrepreneurship. This would provide them with understanding of the possible risks and obstacles in the market before starting businesses to minimize the adverse effects of lack of entrepreneurial knowledge at the start-up levels. To young people themselves, it is critical to go beyond just theoretical knowledge on entrepreneurship, as well as to develop a mentality of entrepreneurship as learning by doing, when engaging in entrepreneurial activities, thus increasing their practical skills in entrepreneurship through practice in the field [14].

5 Conclusion

Higher education extension and its association with entrepreneurial behavior among young people is a subject that is discussed in this paper. Novice human capital is developed by young people towards learning institutions, against the background of upsurge in higher enrollment. At the same time, the application of innovation and entrepreneurship education in universities on a specific scale promotes the motivation and skills of youth to become entrepreneurs. The increase in higher education however causes the problem of academic inflation, which, as a result, poses hypothetical threats to the labor market, resulting in the wastage of resources due to over-education. Others engage themselves in higher education due to increased academic requirements in the various professions whereas others employ entrepreneurship as the final resort where they undertake hasty businesses. This will reduce the success rates of entrepreneurs indirectly. The best strategy that can be used by universities is to maximize youth entrepreneurial behavior by enhancing the intensity of innovation and entrepreneurship education and coordination with the labor market. Governments can reduce the pressure on the young entrepreneurs through enhancing youth entrepreneurial social security. The youngsters can become more competitive on the entrepreneurial level, through increasing the knowledge base on entrepreneurial theory, developing the attitude of learning through experience and polishing their abilities in various aspects. The proposed research synthesizes the available literature on the topic of youth entrepreneurship and passes its analytical framework further into the context of higher education growth to provide empirical data on future studies. Nevertheless, it makes no in-depth dive into the psychological side of young entrepreneurship or local differences in the entrepreneurial behavior. The use of more tangible case studies that include additional regions in investigation of regional specifics of youth entrepreneurship and hone multiple variables that shape the entrepreneurial behavior (including family social capital and entrepreneurial psychology) should be included in future research.

References

1. C. Xing, S. Li, The ‘Great Leap Forward’ in enrollment expansion, educational opportunity, and university graduate employment, Eco. Qua. **4**, 1187-1208 (2016)
2. T. Kong, R. Zhang, A dynamic study on the characteristics of Chinese Youth Entrepreneurs and their business performance. Jou. Eco. Man. **4**, 37-70 (2025)
3. Z. Ren, X. Bai, Y. Liu, et al. China Youth Entrepreneurship development report. Chi. You. Res. **2**. 85-100 (2022)
4. Ministry of Education of the People's Republic of China, Statistical Bulletin on National Education Development, October 24, 2024, January 2, 2026, http://www.moe.gov.cn/jyb_sjzl/sjzl_fztjgb/202410/t20241024_1159002.html
5. Peking University Center for Enterprise Big Data Research, Online Survey of Micro-and-small Enterprises (OSOME), May 31, 2024, January 4, 2026, https://cer.gsm.pku.edu.cn/info/1013/1220.htm
6. J. Yu, L. Ye, W. Sun, et al. Financing challenges and countermeasures for college students' independent entrepreneurship. Coo. Eco. Tec. **10**, 142-143 (2020)
7. Q. Zhang, L. Yuan, Exploring the current status and countermeasures of college student entrepreneurship financing in the context of mass entrepreneurship and innovation. Anh. Sci. Tec. **3**, 41-42 (2022)
8. Y. Mao, Human capital expansion and urban entrepreneurial vitality: Evidence from university enrollment expansion, Ph.D. thesis (2024)
9. W. Lutz, K.C. Samir, Global human capital: Integrating education and population. Sci. **29**, 587-592 (2011)
10. H. Matlay, A. Dehghanpour Farashah. The process of impact of entrepreneurship education and training on ent repreneurship perception and intention: study of education_al system of Iran. Edu. Tra. **55**, 868-885 (2013)
11. L. Wang, H. Li, Cultivating college students' innovation and entrepreneurship capabilities under the integration of science and education. Inn. Ent. Edu. **6**, 13-21 (2025)
12. S. Xie, T. He. Research on youth entrepreneurship issues in the new era. You.Dev. For. **1**, 85-95 (2020)
13. N. Jiang, Y. Liu, C. Chen, Higher education expansion policy and the quality of university graduate employment. Soc. Sec. Res. **4**, 78-91 (2025)
14. Zahra, J. Harry, D. Per. Entrepreneurship and dynamic capabilities: A review, model and research agenda. Jou. Man. Stu. **43**, 917-955 (2006)