

# Taking the Economy to the People

A Place Based Approach to Connect Young India to Work



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The approach and framework described in the paper for scaled rural youth employment in India is a place-based approach to connect youth to work. This approach has been pioneered by the Global Opportunity Youth Network (GOYN) in India, and several countries across Africa and Latin America.

The paper has been written in close collaboration with Transform Rural India, who anchors GOYN in rural India, the Aspen Institute, who hosts GOYN globally. We would like to extend our deepest gratitude to both organisations for the time, expertise, deep learnings that helped shape this paper, with special thanks to Jamie McAuliffe, the Founding Director of the GOYN at the Aspen Forum for Community Solutions, Neeraj Ahuja, who leads the GOYN work at our anchor partner Transforming Rural India, Anish Kumar, the Co-Lead at Transform Rural India, as well as our colleagues at the Global Development Incubator, including Cyrielle Auffray, the Learning Lead for the GOYN, and Suvranil Mazumdar, the Climate Lead.

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Thank you all.

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## **Executive Summary**

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**India is in a unique place with our young population and steady economic growth. However, our youth - especially rural youth – are still struggling to find productive work. This paper outlines a ‘place-based’ approach to connect these rural youth to dignified work so they can participate in and drive our economic growth. The paper is divided into five chapters, as outlined below:**

## **Chapter 1: India - Economic Growth, Youth Dividend, and State of Employment**

This chapter sets the context for the paper:

**India’s dual advantage of economic growth and youth dividend** - India’s economy is growing steadily and slated to be the world’s third largest by 2030. We also have the world’s largest working age population, and an average age of 29 – this youth bulge will continue until 2050. This is an unprecedented, enviable, and challenging milestone full of abundant opportunity - if harnessed well, the potential of our youth can shape the future of India and the world.

**The past two decades have seen economic growth outpacing employment growth** - due to shifts in population, automation and digitisation, service industry growth, and productivity gains, capital markets, and accounting practices rewarding capital investment rather than labour expenses.

**There is an urgent need to focus on absorbing rural youth into the labour force** - Two-thirds of India’s ~378 million youth live in rural India, which constitutes only 46 per cent of the national income. Rural youth have high aspirations and potential but face systemic barriers that start from childhood and continue through their life. Some critical considerations are as follows:

- Agriculture employs close to 80 per cent rural youth, but is not aspirational in its current state
- There is low economic activity and hidden un/der employment at rural districts
- India has 140 million internal migrants, most are youth, and most are forced to migrate seasonally, often towards exploitative and unsafe work in already congested urban centres
- Even when rural youth migrate to cities, formal work is still often out of reach – rural youth are unable to compete with their urban counterparts since education access and quality is poor, and vocational training is difficult to access, not demand driven, and training providers are incentivised for training / placement rather than long-term workforce retention.
- Youth do not have the tools for decision making for selection of training and work pathways

**Youth are not a homogenous group** - aspirations, access, opportunities, and challenges differ across youth segments and geographies (often by district and even by block). Programming must be tailored at the hyper-local level to be truly inclusive to the diverse youth landscape across the country

**Youth segmentation** - The Ministry of Youth Affairs and Sports in the National Youth Policy classified youth as those in the age group of 15–29 years.

**Opportunity Youth** is an asset and potential based framing of youth who are unemployed, underemployed, and out of school / education / skilling.

It is critical to define how many youth fit into these categories and ensure that hidden un/underemployment and inactive women not participating in the labour force are included. In typical rural districts we see high numbers of youth - often over 70 per cent of total youth - fitting this category, compared to only 30-40 per cent of urban youth who fit this description.

**Youth voice** - young people know what they need, and as recipients of these programs and services need to be included in program design. However, this is a key missing piece.

**Solving rural youth unemployment at scale demands a holistic and coordinated approach** - going beyond training and placement and creating and strengthening systemic and foundational ecosystem pillars including comprehensive and integrated policies, institutions and systems that build human capital and strengthen skills, stimulation of job creation, promoting youth employment, and supporting decent work. One key systemic gap is the challenge in building consensus and coordination between multiple players with differing priorities in the workforce and employment system.

## Chapter 2: A Place Based Approach for Youth Programming

This chapter outlines a place-based approach to address the challenge and opportunity outlined above. Pioneered by **Global Opportunity Youth Network (GOYN)**, to address youth employment, the approach is focused on catalysing place-based systems shifts in communities - cities and rural districts - around the world through the creation of sustainable economic opportunities and improved well-being for “**Opportunity Youth**” - youth aged 15-29 who are involuntarily out of school, training, unemployed or underemployed.

**The Place Based Approach** - is an emerging approach that has received significant traction in India and globally is focused on context or “place” specific interventions, collaborative in design and implementation, and uses a systems lens to understand the jobs or livelihoods ecosystem opportunities. The youth opportunity and well-being ecosystem is very context specific, and interventions needed change by district and even block. A place-based approach means in the context of addressing youth employment in rural India means:

- Breaking down the problem into addressable units and developing solutions that are grounded in a deep analysis of the local youth employment ecosystem
- Solutioning is developed and implemented locally by bringing together stakeholders active at the local level with shorter feedback loops in immediate mutual accountability
- Leveraging all the advances we have made in the skill development arena

**Anchor partners are at the core of this approach** – these are trusted local entities who are the backbone of the approach. Their role includes convening multi-stakeholders across the youth employment ecosystem, facilitating convergence and capacity building of stakeholders and interventions in the community, unlocking resources for work in the community, facilitating data and evidence gathering to input into strategy design, facilitating cross stakeholder learning, and tracking program impact at the youth, and ecosystem levels. Anchor partners also build long term relationships with governments and private sector (employers, buyers, donors) and influence systems shifts that catalyse opportunities for thousands of youth in their community.

### **Five Big Ideas To Shift The Youth Employment Approach Across Rural India**

- **District as a “unit of change”** for collaboration, convergence, and saturation of programming
- **Increased rural economic activity** by addressing structural barriers to employment and developing high growth sectors, distributed manufacturing, local and aggregated production, etc.
- **Suite of all solutions** - jobs, self-employment, entrepreneurship, emerging sectors, gender, future of work, wrap around services - customised strategies for local needs and market demand that address systems not symptoms
- **Youth voice, aspirations, and long-term outcomes tracking** – structured inclusion of youth in processes such as GPDP and other district level programming, youth leadership at national and global forums, and long-term tracking of youth journeys in the workforce, and shifts in the employment ecosystem
- **National convergence of rural youth employability programming** across public and private sector, towards a common vision and goal, and complementary work creating multiplier impact

### **Key components of place based programming:**

- **Research and analysis** - mapping stakeholders, OY population, segments and aspirations, and labour market of current, emerging, and potential opportunities at the district
- **Collaborative infrastructure** – to create deep, long-term connections and equity among stakeholders (public and private sectors, education and skilling providers, civil society, and youth themselves). Roles of a collaborative include aligning on a shared vision for youth economic opportunity, developing and jointly implementing a strategy, coordinating stakeholders and mutual accountability, enabling data-driven decision-making, and leading communications and advocating for change.
- **Opportunity pathways:** A key output of place based work for youth employment is emerging identifying and activating local and labour intensive pathways that absorb young people at the district. The pathways are defined and prioritised in collaboration with local youth employment stakeholders, including youth themselves. Pathways can be labour market or sector focussed (e.g. entrepreneurship and rural economic

development to create jobs for youth in growing sectors, value chains, etc.) or they can be youth journey focussed (e.g. youth hubs that provide youth with single-window access to end-end solutions, or youth development to increase youth agency and well-being)

- **Use of data & technology** - Data tracking is critical to the effective implementation of multi-stakeholder collaboratives to ensure stated goals and outcomes are achieved, partners held accountable, to enrich learning across sites, and to achieve a better understanding of the return-on-investment of different interventions in different contexts.
- **Impact measurement:** With the place-based approach, progress and impact is measured in expected outcomes at the youth level (mindsets, skills, placement and retention in workforce, income, savings, etc.), the ecosystem level (functioning of the ecosystem, collaboration, etc.) and the systems level (shifts in mindsets, practices, funding, and policies that influence lives and economic opportunities of youth) through a combination of qualitative and quantitative indicators.
- **Learning across the network of communities** - through sharing of best practices and learnings

### Chapter 3: Income Generation Pathways For Rural Youth

This chapter covers the two broad income generation pathways for rural youth – self-employment, and jobs. These pathways are further broken down and explored below - since challenges, barriers and supports, and recommendations vary by segment and sub-segment, and even by geography, gender, and socio-economic background.

**Income generation pathways for rural youth are categorised as below:**

- **Self-employment and entrepreneurship**, which can be further segmented as follows:
  - **Sustainable livelihoods:** This segment includes youth engaged in necessity-based entrepreneurship, often in agriculture, wage labour or single-person self-employment. This segment lacks access to formal financial systems and digital tools and requires support for economic inclusion and stability
  - **Medium to high growth entrepreneurship:** This category encompasses micro and small businesses to break-out scale entrepreneurs. This segment needs customised access to training, capital, and markets for sustained and resilient growth. This segment also generates local job opportunities
  - **Gig work:** This is an emerging segment, and involves temporary work performed by independent contractors. Rural youth need training as well as rights based protections to participate in this growing sector.
- **Jobs**, which can either be in the formal or semi-formal sector: Opportunities in this category are limited for rural youth. Aligning education and training with employer demand and providing post-placement support are essential.
- Another important area of intervention is **re-entry into high-quality training or education** for some youth aligned with their aspirations and demand.

None of these pathways have the individual capacity to absorb the size of the youth population – hence a suite of end-end solutions for all of the above is needed to collectively provide youth work they aspire to and are good at.

- **Self-employment and entrepreneurship** pathways cover the following:
  - **Challenges and barriers:** Lack of district-level data on entrepreneur segments and business types makes it difficult to provide tailored support and map demand gaps. Most programs are tailored for high growth start-ups and overlook the subsistence and micro self-employment segments. Limited access to markets, finance, and digital tools further hinder growth. For ultra-poor segments, there is no focussed support to move beyond subsistence and exit the poverty trap. SMEs face specific challenges with access to finance (too big for MFIs, challenging economics for investors, lack of DFI support), and regulatory and complexity and compliance.
  - **Noteworthy and emerging solutions** and income generation models outlined in this section of the paper are Women's Self Help Groups (SHGs) by the DAY- NRLM, the Graduation Approach for ultra-poor, the Lakhpati Kisan (Millionaire Farmer) Initiative by the Tata Trusts, the Nano Unicorn program by Tata Strive in partnership with the Odisha Skill Development Authority, the Youth Hub and Spoke Approach by Transform Rural India in partnership with Standard Chartered Bank Foundation and the Global Opportunity Youth Network, the Work4Progress entrepreneurship program by Development Alternatives in partnership with the la Caixa Foundation, the Introduction to Basic Technologies high school entrepreneurship program by Vigyan Ashram, as well as programs by various government and non-government organisations across the country on value chain and producer company development, government sourcing, market access facilitating access to markets and finance, entrepreneurship training.
  - **Recommended shifts** include:
    - Clear **entrepreneur segmentation** and district data to tailor segment based supports and map demand gaps
    - **Increase local economic activity** o create jobs and reduce dependence on long supply chains
    - Access to **end-to-end support** from business idea discovery until business is set up and stable
    - **Fostering entrepreneurial spirit** in children and youth through formal education and extra-curricular spaces
    - **Providing access to internet and smartphones** to enable effective use of digital business management tools
    - **Investing in place-based programming** for collaborative, data-driven, tailored solutions at scale
- **Formal and semi-formal jobs** pathways cover the following:
  - **Challenges and barriers:** Foundational barriers to rural youth accessing formal and semi-formal jobs are low literacy rates and skill-demand gaps. Common youth programming gaps include sub-scale interventions, project driven funding which fails to cover operational and capacity costs needed for high quality, and output vs impact driven success metrics. Rural Indian youth specific constraints include a competitive and inaccessible formal job market, lack of safe migration support, lack of wrap around services such as mentorship, agency building, childcare etc., disconnects between employer expectations and youth needs, and emerging challenges in the gig economy. Stakeholder specific

challenges include fragmented youth and livelihoods programming across ministries, scattered CSR and philanthropic programming driven by funding and reporting cycle outcomes rather than life-cycle outcomes for youth, and skilling content not being demand-driven / outdated.

- **Noteworthy and emerging solutions include:**
  - Stimulating job creation through optimising cost of formality and increasing local economic activity through measures such as value chain and producer organisation development, promoting rurally headquartered businesses, and creating local circular economies, etc.
  - Addressing the skills gap through apprenticeships, corporate training and innovation centres, micro-credentialing, job fairs, counselling and career information campaign, and promotion of high quality, futuristic, demand driven, and collaboratively developed programs with aptitude based selection criteria, public-private funding models, focus on demand, retention, and on-job training.
  - Emerging job opportunities through impact sourcing, micro-work, digital jobs, emerging high growth and labour intensive sectors, and rapid development at district headquarters.
  - Developing enabling support systems including a transformed education system, innovative results-based financing mechanisms, job platforms and employment exchanges, and wrap around services such as childcare and safe transportation
  - Universal basic income
  
- **Recommended shifts include:**
  - **Increasing local economic activity to create** investment, development of industry clusters, optimising cost of formalisation to enable local hiring, and linkage to regional and global markets.
  - **Developing end-to-end support such as** childcare, healthcare, transportation, post-placement retention to complement skilling. Finding ways to meet youth where they are, for instance through youth hubs, and connecting them to existing services is essential. Beyond jobs, young people need a sense of hope, agency and belonging.
  - **Linking success to outcomes not outputs** – i.e. funding tied to job placement and long-term retention rather than delivery of activities (e.g., students trained).
  - **Shifting focus from skills to aptitude** including new ways to evaluate applicants' potential and ability to learn.
  - **Building capacity of skilling institutions and encouraging innovation** to develop new models of training involve co-creating course offerings with employers, basing available slots on market demand, and combining classroom education with on the job training.
  - **Investing in place-based programming and** local, collaborative approaches that bring together employers, public sector stakeholders, civil society organisations and the youth themselves on an equal footing, rely on data to drive programming and track specific local outcomes, to generate solutions for complex issues at scale.
  - **Experimenting with new funding models that** create different incentives for stakeholders, including results-based financing, public-private financing, and unrestricted funding.

## Chapter 4: Cross-Cutting Emerging Sectors

This chapter outlines the potential of green jobs, healthcare, and the digital sector in India, highlighting the challenges and proposing solutions for creating sustainable employment opportunities.

A sector level view enables activation of a whole ecosystem of jobs and entrepreneurship opportunities across the sector value chain, and enables the creation of **Sector Maps** that illustrate sub-sectors, entrepreneurship and jobs career paths within each sub-sector, experience and qualification requirements, training, certification, and licensing requirements, in-demand bridging programs and certifications, key employers, occupations and trends within the sector, and growth trajectories and pathways. A sector approach also enables the engaging of the full sector, multi-stakeholder ecosystem to co-create solutions for a macro shift in the sector, but also specific engagements that enable demand driven skilling and deep employer partnerships.

**Green Jobs:** The impact of global warming on India is projected to result in the loss of around 34 million jobs by 2030, necessitating a transition to a low-carbon economy. To achieve this, targeted efforts must be made in most impacted sectors such as agriculture and transport. Challenges to acquiring these jobs include the lack of formal education and technical training among youth, and the need to re-skill workers from carbon-intensive sectors. Successful skilling programs exist in pockets but scaling them to meet the size of the challenge has been a challenge. Promising emerging trends include the setting up of the Skill Council for Green Jobs, the increasing popularity of electric vehicles (EVs), and public and private sector agendas around renewables, waste management, and circular economy. Recommendations to connect youth to green jobs include increased collaboration between the private sector and government for training and job creation, and fiscal and non-fiscal incentives.

**Healthcare Sector:** ILO estimates indicate as much as 84 per cent of the total population in low-income countries is excluded from access to healthcare, providing an opportunity to reduce unemployment by connecting youth to health jobs. However, several structural barriers remain, including an urban-rural divide between the distribution of health workers (rural India has 71 per cent of the country's population but only 36 per cent of the country's workforce) and the lack of qualifications among existing health professionals. The key solution involves mapping the entire healthcare value chain across production, distribution, service providers, intermediaries and leveraging (close to 100 entry level jobs have been mapped across these categories) and identifying and training young people for these jobs. Recommendations for consideration include expanding the supply side of the health workforce, increasing participation of trained personnel in the workforce, fast-tracking recruitment for public health facilities and upskilling programs for less qualified care providers.

**Digital Literacy and Data Jobs:** India's digital economy is thriving, but challenges include inadequately trained labour supply, automation and AI reducing the need for certain types of jobs and the gig economy leading to the creation of insecure and low-paying work. Barriers to entry in the digital workforce include a lack of awareness and understanding of emerging jobs among rural youth, and infrastructural gaps to access the digital world with women disproportionately affected. Emerging solutions include training and placing youth into three key areas in the digital economy - digital jobs, data science jobs, and jobs requiring computer/programming literacy.

Recommendations for consideration include promoting digital literacy and addressing the digital divide across gender and geography.

## Chapter 5: Cross-Cutting Youth Employment Themes

This chapter explores the cross cutting themes of future of work in India, participation of women in the workforce, and inclusion of persons with disability in the workforce.

**Future of Work in India:** The future of work will be influenced by technological advancements, leading to a shift from low-skilled labour to high-skilled roles. To prepare for this, reskilling and upskilling the workforce is essential. Future of work trends include distributed manufacturing, increased technology and automation, off grid solar energy, 3D printing, shorter supply chains and increasing place-based work have the potential to create new job opportunities. Potential interventions in this areas include unearthing community aspirations, strengthening collective learning and social cohesion, building robust ecosystems, enhancing opportunities for career awareness via internships and apprenticeships, enabling youth to transfer between formal and informal education / training channels, and providing experiential learning for holistic development.

**Women in the Workforce:** Women face barriers to workforce participation due to limited access to education, employment options, and mobility. The contribution of women in domestic and community work is unpaid and invisible. The agriculture sector is the primary income generation pathway for rural women and is made up of primarily women as men migrate to cities for work. However, structural barriers such as land ownership, access to inputs, markets, and finance overwhelmingly exist for women. Self-Help Groups, producer organisations and cooperatives are proven models for inclusion and empowerment of rural women. This coupled with early and equitable access to healthcare and education, addressing social norms and cultural practices, access to safe, fair, and dignified working conditions, and enabling women farmers to adapt to climate change are helpful steps in the right direction.

**Persons with Disabilities (PwDs) in the Workforce:** PwDs make up approximately 2 per cent of India's population, and 70 per cent live in rural areas. The lack of physical infrastructure is a key barrier to inclusion of PwDs in the workforce and on farm and other physical labour is an even larger challenge, but what most persons with disability are relegated to, given the barriers to entry into formal or desk work. Negative attitudes and stereotypes result in social exclusion and discrimination and are another key barrier to inclusion. There is a need for policies and programs to address both these barriers. The Accessible India Campaign serves as a tool to actualise the provisions of 'accessibility' mentioned under the Rights for Persons with Disabilities Act, 2016 and all critical livelihoods and employment schemes including MGNREGA, DAY-NRLM, and DDUGKY have provisions for PwDs, as well as supports offered by the Ministry of Social Justice and Empowerment. Training organisations such as EnAble India train and place PwDs into the mainstream workforce and The Lemon Tree Group of Hotels has a strong inclusion policy with evidence of higher customer satisfaction, and higher employee retention rates. CBM India has initiated various locally relevant on-farm, off-farm, and non-farm livelihood systems to help PwDs become contributing members of society.



## **Chapter 1: India - Economic Growth, Youth Dividend, and State of Employment**

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**India's Dual Advantage Of Economic Growth And Youth Dividend:** In 2022, India overtook the United Kingdom to become the world's fifth largest economy. We are well-positioned to be a \$5 trillion economy by 2025, and the world's third largest economy by 2030. However, our economic growth has consistently outpaced employment growth. This is ordinarily a precarious position to be in, and the challenge is further compounded given our population size - and specifically our youth bulge. In early 2023, India overtook China as the world's most populous country. A more significant milestone is that India will have the largest population of working age (15-64) than any other country in the world. With an average age of 29, the demographic bulge is forecasted to continue till 2050, with the largest growth in the coming decade. This is an unprecedented, enviable, and challenging milestone full of abundant opportunity - if harnessed well, the potential of our youth can shape the future of India and the world.

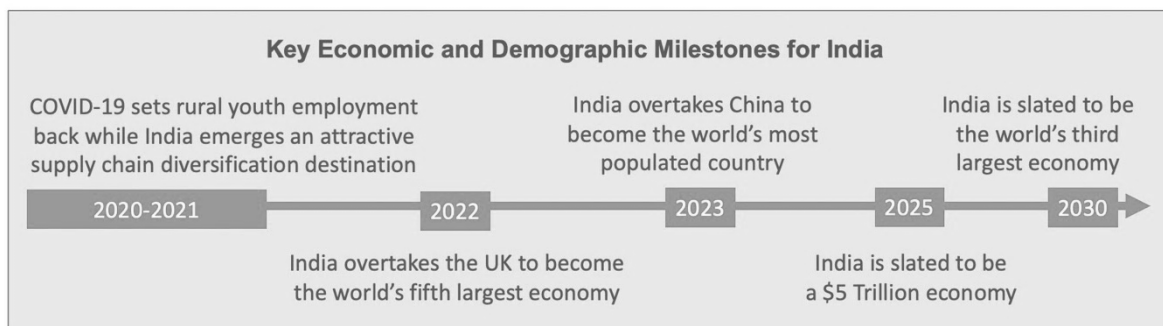


FIG 1.1: INDIA: KEY ECONOMIC AND DEMOGRAPHIC MILESTONES

**The Past Two Decades Have Seen Economic Growth Outpacing Employment Growth:** The jobs and livelihoods sector has undergone a significant transformation over the past decade and is expected to see even greater shifts over the coming years. Population shifts given the youth bulge, climate, conflict, and urbanisation are driving challenges overall while the changing nature of work in the form of automation and digitisation is negatively impacting lower value-added manufacturing and emerging digital jobs. India's service industry growth, productivity gains,<sup>1</sup> capital markets, and accounting practices<sup>2</sup> reward capital investment rather than labour expenses. These and other factors have shown that India's significant growth has unfortunately been jobless as employment growth has not kept pace with GDP growth - and women and youth are disproportionately feeling the brunt of this challenge.

**There Is An Urgent Need To Focus On Absorbing Rural Youth Into The Labour Force:** Two-thirds of India's ~378 million youth and 70 per cent of our total working population lives in rural India. However, the rural economy constitutes only 46 per cent of the national income. Rural youth have high aspirations and high potential, which most often go unfulfilled due to systemic barriers that start from childhood and continue through their life.

- **Agriculture Is The Predominant Occupation, But Is Not Aspirational In Its Current State:** Agriculture and allied activities make up the predominant income generation source for young people in rural areas, employing close to 80% rural youth. However, in its current state, productivity improvements in agriculture are slow and there is little improvement in income potential - the average growth rate in agriculture between 2014-15 and 2017-18 was less than 2% per year, leading to increasingly lower returns from farming. Absolute income also varies greatly by state - for example, the highest income per acre for a farmer in a state like Jharkhand is lower than the lowest income per acre for a farmer in a state like Haryana. Consequently, in a survey<sup>3</sup> of over 30,000 rural youth from 28 states, it emerged that just 1.2% youth aspired to be a farmer.

A critical point to note is that young people are not interested in participating in agriculture in its **current** state. Tech and digital modernisation, improved inputs, productivity, diversity, and market linkages ultimately

<sup>1</sup> IMF Blog, April 2017, Drivers of Declining Share of Labor

<sup>2</sup> Jerry Davis, Brookings, 2015

<sup>3</sup> Annual Status of Education Report (ASER) 2017, Pratham

leading to improved income by 4-5x is an attractive proposition to young farmers. Enabling these shifts will create the opportunity for renewed interest and absorption of youth into the agriculture sector.

- **There Is Low Economic Activity and Hidden Un/der Employment at Rural Districts:** Overall economic activity in rural India is significantly lower than urban India. Cities in India occupy just 3 per cent of the land, but their contribution to gross domestic product is a massive 60 per cent.<sup>4</sup> The differences in opportunities between rural and urban areas are striking - as can be expected, agriculture is the predominant sector in rural areas whereas the service sector is dominant in urban areas and rising.<sup>5</sup> While rural youth have high aspirations and high potential, the reality is that there is just not enough economic activity and fair work opportunities at the district level to absorb these youth into the labour force.

The COVID-19 pandemic has exacerbated unemployment and decimated businesses, but critically has also further reduced the already dropping paid participation women in the labour force by a further 9 per cent,<sup>6</sup> reduced youth jobs and eradicated 90 per cent+ of migrant jobs<sup>7</sup> as most have returned home with the intent to stay but without access to local employment.

Agri and allied activities are often seasonal and take up varying hours per day through the crop cycle, rendering significant periods of unproductivity. Outside of the crop cycle, young people are forced to seasonally migrate in search of work – which is also erratic and often exploitative, and most often as daily wage labour in construction or even as agriculture labour on other people’s land. This youth demographic is the largest contributor to the staggering rates of hidden youth un/underemployment in villages.

- **Low Economic Activity in Rural Areas Is Forcing Rural Youth To Migrate Towards Informal and Often Exploitative and Unsafe Work In Already Congested Urban Centres:** The rural-urban divide in India is so prominent that the income of an average person in rural India is less than half of their urban counterpart<sup>8</sup>.

With low overall local economic activity, and jobs systems being unable to accommodate the growing labour force, young people find it difficult to find local work, especially in the more remote districts of states such

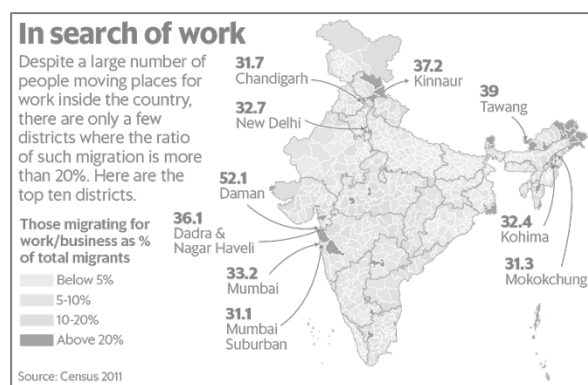


FIG 1.2: INDIA: MIGRATION MAP

as Jharkhand, Bihar, Odisha, Madhya Pradesh, Chhattisgarh, etc. As a result, 140 million people in India - a large proportion of which are youth - are forced to migrate. Not considering marriage-related migration, most of India’s internal migration is distressed and seasonal migration, motivated by a search for better employment opportunities<sup>9</sup>. Youth migrate in the short term to earn the basic income they need for survival, and in the long term with the hope of climbing out of poverty. But in reality, rural youth are at a distinct disadvantage - with lack of skills, work experience and exposure, access to career guidance and

information asymmetry - and are unable to compete for work with their urban counterparts, who typically outpace them to success. As a result, not only are migrant youth removed from their families and communities, but they are often also relegated to informal, low paying, exploitative work, and struggle to

<sup>4</sup> NITI Aayog, Asian Development Bank - Cities as Engines of Growth Report

<sup>5</sup> CMIE’s Consumer Pyramids Household Survey

<sup>6</sup> Bloomberg: Why India’s World Beating Growth Isn’t Creating Jobs

<sup>7</sup> Jan Sahas, Migrant Collective.

<sup>8</sup> Ministry of Statistics & Programme Implementation

<sup>9</sup> PLFS Migration in India, 2020-2021

access safe migration support and benefits, with often marginal improvement in overall savings due to higher expenditures<sup>10</sup>, and with the pressure to send remittances back home.

As a result, in a survey conducted post the COVID-19 pandemic, ~ 90 per cent youth said they would prefer to stay and work in their villages even if it paid less than urban work<sup>11</sup>.

On the receiving end, India cannot sustain massive urban migration as mega cities become increasingly difficult to manage. Informal migrant workers often live with poor working conditions, long working hours, lack of water, sanitation, or safety equipment in the urban centres they migrate to. Unsurprisingly, interviews with youth reveal that the majority express a preference to stay in their community with their families and friends, in places that are familiar to them. Women in particular have a strong preference to remain home. Despite increasing urbanisation, 70 per cent of our labour force resides in rural areas and is expected to remain over 50 per cent rural through 2050<sup>12</sup>. Thus, in order to ‘unlock the potential of youth to advance India<sup>13</sup>’ it is critical to develop the youth as well as the economies of rural India to drive inclusive and sustainable development of India for the coming generation.

- **Even When Rural Youth Migrate to Cities, Formal Work Is Still Often Out of Reach:** The above mentioned ASER survey of 30,000 rural youth from 28 states also showed that about 13 per cent of the boys and 9 per cent of the girls surveyed said that ‘any government job’ is preferable. This is evidenced by the fact that the lowest paying central government job pays nearly six times the income from agriculture in a farm household while agri and allied activities contribute to only even in farm households. Multi-generational biases stemming from the benefits, support structures and steady income that come with formal work translate into a majority of young people aspiring to government jobs or private sector desk jobs<sup>14</sup> - however, these opportunities are far out of reach for the average rural youth, due to widening education, skills and competencies gaps that start right at the primary education level. Some of these factors are detailed below:
  - **Low Education Access and Quality Puts Rural Children Two Generations Behind Their Urban Counterparts:** The sheer magnitude and complexity of the task of providing high quality and accessible primary and secondary education across rural India is the first barrier to poor livelihood outcomes for rural youth, given changing contexts by state, district, and even block. Out of the ~196M elementary school going children in India, only ~146M are enrolled in rural schools<sup>15</sup>, with high dropout rates post Class VIII, especially for girls. Even where high quality education is available, prevailing social and economic conditions keep children from accessing it, keeping them stuck in a lifelong poverty trap.
  - **Vocational Training and Skilling Programs Have Made Great Headway But Still Come With Several Challenges:**
    - **Access to Skilling and Training:** High quality vocational training is yet to reach a vast majority of rural youth – 95 per cent (2017) of whom have not received any vocational training<sup>16</sup>. Most training institutes are located in the nearest small towns, inaccessible to most, especially women, due to the lack of public transport facilities. Moreover, many skilling, jobs and entrepreneurship programs are not contextualised for rural youth, and there is an added language barrier during content dissemination.
    - **Information and Decision Making Around Program Selection:** Most young people make higher education and skill training choices based on peer choices, and on what is easily available and

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<sup>10</sup> ICE 3600 Surveys (2016), PRICE

<sup>11</sup> Survey by Transforming Rural India Foundation, 2020

<sup>12</sup> Changing Structure of Rural Economy of India Implications for Employment and Growth Ramesh Chand, S. K. Srivastava, and Jaspal Singh, National Institution for Transforming India, NITI Aayog

<sup>13</sup> Government of India’s draft National Youth Policy (NYP) 2022 Ten Year vision.

<sup>14</sup> Annual Status of Education Report (ASER) 2017, Pratham

<sup>15</sup> U-DISE 15-16

<sup>16</sup> National Sample Survey Organisation India

accessible. In societies where the family patriarch is particularly influential, young people, especially young women have limited to no say in their choice of skilling or work. Frequently, youth who decide on self-employment or entrepreneurship need money immediately and often cannot afford to allocate time towards training. Immediate income is prioritised over planning for a longer livelihood journey.

- **Programs Are Not Tailored to Market Demand or Rural-Local Employment:** The size of the youth unemployment challenge and its complexity, along with the lack of coordination among the various stakeholders of the youth employment ecosystem and the exclusion of youth voice in programming translates to disconnects at every level of the employment value chain. Beyond the youth aspirations – opportunities gap is the skilling / supply and labour / demand gap. According to the Global Business Coalition for Education (GBC-Education), United Nations Children’s Fund (UNICEF) and the Education Commission, more than 50 per cent of Indian youth is not on track to have the education and skills necessary for entry and retention in the jobs and self-employment workforce by 2030.

A critical lagging piece is the alignment to demand - both for skilling for jobs and for market demand and linkages and for entrepreneurial goods and services, and the curriculum and intake of most skilling programs is designed without consideration of demand and opportunity. The few skilling programs that are demand based prepare youth to migrate to urban and semi-urban centres for work, but often do not plan program intake based on specific and time-bound demand from employer partners. Hence, these programs lead to over-supply of young people trained in the same trade and unable to find sufficient work or mass rural-urban migration of young people. This is coupled with a lack of coordination among stakeholders, scattered private sector programming.

With the nature of work changing rapidly, legacy work is disappearing while new job types and scopes emerge. This is rendering traditionally designed skilling programs increasingly ineffective.

Hard skills taught in most skilling programs are either redundant or insufficient in the world of work, and employers dedicate significant resources towards post-hire training. On the other hand, micro-enterprises set up by youth are not geared to tailor buyer / procurement needs of government or private sector.

At the same time, there are not enough youth development programs that build overall capacity, agency, agility, and ability to learn on the job. Thus, skills gap and misalignment are increasingly a central challenge as workers do not have the competencies, abilities, goods and services employers and buyers seek.

While there is an intense debate about how dramatic the impact of automation and artificial intelligence will be on the labour market, few dispute that huge numbers of job functions and required skills will be affected by technology. This has ramifications for everyone involved in the education to employment continuum. Educational and training institutions need to rethink and retool their pedagogy—from early education through post-secondary—and become much more attuned to the needs of businesses and growing sectors and companies that will have to increase focus and investment in training and rapid reskilling of workers.<sup>17</sup>

On the formal jobs side, employers are already seeking a wider range of twenty-first century skills that most lower-income educational systems and institutions are failing to provide. These include behavioural and communication skills, entrepreneurial or business skills, computer literacy and digital skills, and even vocational skills that meet harmonised global standards for more advanced manufacturing or trades.

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<sup>17</sup> McAuliffe, Global Opportunity: Get Youth Working

Despite these issues, eligibility criteria for jobs and advanced training opportunities focus on skills training completion rather than aptitude - hence putting young people without a skilling certificate at a distinct disadvantage.

This is amplifying the demand as well as supply challenge - youth are unable to find jobs or set up market relevant businesses, while employers and buyers are unable to find high quality talent and service providers for their businesses. For example - India has ~487M workers, but more than two-thirds of Indian employers' report that they struggle to find workers with the right skills<sup>18</sup>.

While supply side approaches continue to predominate, more actors are taking up the call to better connect education to employment as one way to address the paradox of large numbers of youth remaining unemployed or underemployed while millions of jobs go unfilled.

Thus, the opportunity is twofold: investing in training and hiring untapped workers in emerging jobs unlocks positive career trajectories for young people while also addressing resource gaps in employers and buyers and contributing towards economic growth<sup>19</sup>.

One way to address this is to further overlay the different sectors where companies and value chains operate such as green jobs, blue economy, creatives, agriculture, construction, and services such as retail, ICT and digital. Each sector has its unique considerations and needs to be deeply evaluated for sub-sectors, job types, certification requirements, hiring organisations and investment opportunities for more growth and labour absorption. Other critical components to align to demand include building deep relationships with employers to define training offerings and batch sizes, co-creating training curricula, shifting success metrics of placement agencies, introducing models of workplace training, setting up work/learn or apprenticeship experiences and for livelihoods, spending significant time on assessing market gaps and building linkages to markets.

- **Training Providers Are Evaluated and Incentivised For Training / Placement Numbers Rather Than Workforce Retention:** Incentive structures for skilling organisations and funding and reporting cycles of private sector donors translate into a focus on numbers of young people trained and placed instead of number of young people entering and staying in the workforce.

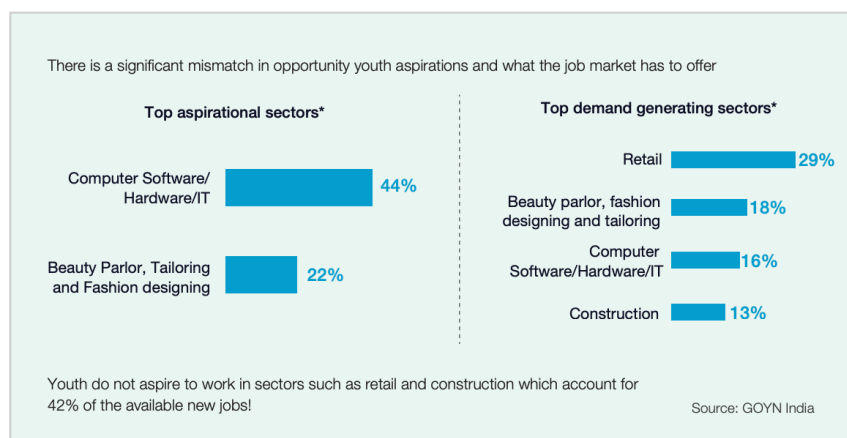


FIG 1.3: INDIA: YOUTH ASPIRATIONS AND OPPORTUNITY MISMATCH

<sup>18</sup> Case Study: India. The Role of the Skill Council for Green Jobs (SCGJ) in Recognising Green Skills and Upskilling Workers in Micro, Small and Medium Enterprises

<sup>19</sup> McAuliffe, Global Opportunity: Get Youth Working

- **There is Limited Information, Exposure, and Guidance Around Relevant and Reachable Current and Emerging Jobs and Entrepreneurship Opportunities:** A recent survey on career option awareness among Indian students has revealed that 93 per cent of the students aged 14 to 21 were aware of just seven career options, though there are more than 250 different types of job options available in India<sup>20</sup>.

**Youth Are Not a Homogenous Group - Aspirations, Access, Opportunities and Challenges Differ Across Youth Segments and Geographies, and Programming Must Be Accordingly Tailored:** As seen above, the nature of the youth employment challenge is large, complex and varies widely by district, and even sometimes by block. Currently, there is no district-level data on the number of youth, the different youth segments, existing market demand and potential opportunities. This leads to a lack of tailored skilling offerings and wrap around support services based on specific youth segments and relevant skilling opportunities to secure a job.

Despite this, many programs, interventions, and stakeholders fail to segment youth in a meaningful way. This means that some training and subsidized interventions may be ill-suited to the young people participating<sup>21</sup>.

In a country-wide survey<sup>22</sup> of young people, it was found that aspirations of young people differ by gender - While 18% of the boys wanted to join the army or the police, 12% wanted to be engineers. 25% young girls preferred teaching, and 18% preferred working as a doctor or a nurse. In the survey, only 18% responded positively when asked whether they would like to see their children engaging in farming<sup>23</sup>.

**Youth Population and Distribution in India:** As seen above, rural India is home to two out of three young people of the country, and fares far worse than the national average virtually on every parameter of development - including quality of education, and access to higher education. Consequently, a child born in rural India is two generations behind their urban counterpart and this gap continues through lifetime.

**Youth Segmentation:** The Ministry of Youth Affairs and Sports in the National Youth Policy in 2014 (updated in 2023) classified youth as those in the age group of 15–29 years. Within this group however, it is critical to dive a level deeper and further segment youth at a hyperlocal level, since access, aspirations, and type of support needed to achieve these aspirations vary widely by several factors including age, gender, class / caste, education, and skill level. Further, it is critical to map, at a district level, the number of ‘Opportunity Youth’, to effectively understand the size of the challenge and develop a labour absorption strategy for these youth at a district level.

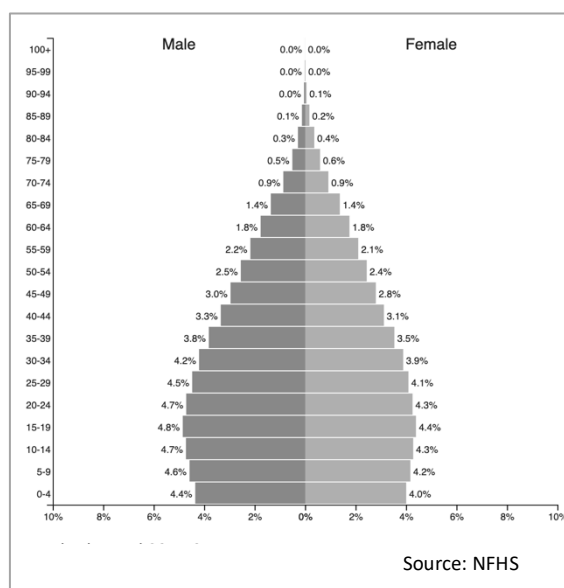


FIG 1.4: INDIA: POPULATION DISTRIBUTION BY AGE

**Opportunity Youth: “Opportunity Youth”** are youth aged 15-29 who are involuntarily out of school, training, unemployed or underemployed. Opportunity Youth is a phrase that reflects the idea that youth are a force for positive contribution, an asset-based lens that supports the idea that youth present an opportunity to economies, societies, and themselves; that systems must change around the youth to support their growth; and that scalable and sustainable solutions are difficult to design, even harder to implement, and cannot be defined and owned by

<sup>20</sup> Mindler Survey, n=10,000+

<sup>21</sup> McAuliffe, Global Opportunity: Get Youth Working

<sup>22</sup> Annual Status of Education Report (ASER) 2017, Pratham

<sup>23</sup> State of Indian Farmers, Centre for the Study of Developing Societies, 2014



people outside of the community, cannot be sustained without the target group themselves, nor by any one organisation or stakeholder.

The definition of Opportunity Youth includes youth active and inactive, unemployed, underemployed, and out of school / education / skilling. It is critical to define how many youth fit into these categories and ensure that hidden un/underemployment and inactive women not participating in the labour force are included. **In typical rural districts we see high numbers of youth - often over 70 per cent of total youth - fitting this category, compared to only 30-40 per cent of urban youth who fit this description.**

The most surprising finding is that most stakeholders are not aware of the size of the challenge - that a single district would have 2,50,000 - 3,00,000 Opportunity Youth, a size of challenge that many programs do not address even across the entire country.

High level segmentation of youth by gender, age and educational qualification shows great disparity in urban and rural youth profiles (Pune, MH, Ramgarh, JH, and Barwani, MP samples showcased):

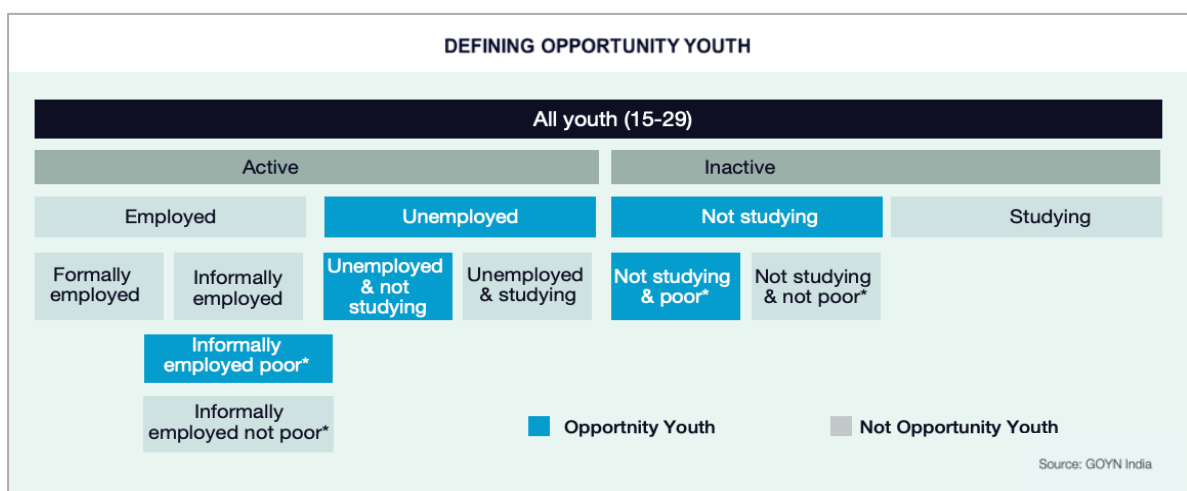


FIG 1.5: DEFINING OPPORTUNITY YOUTH

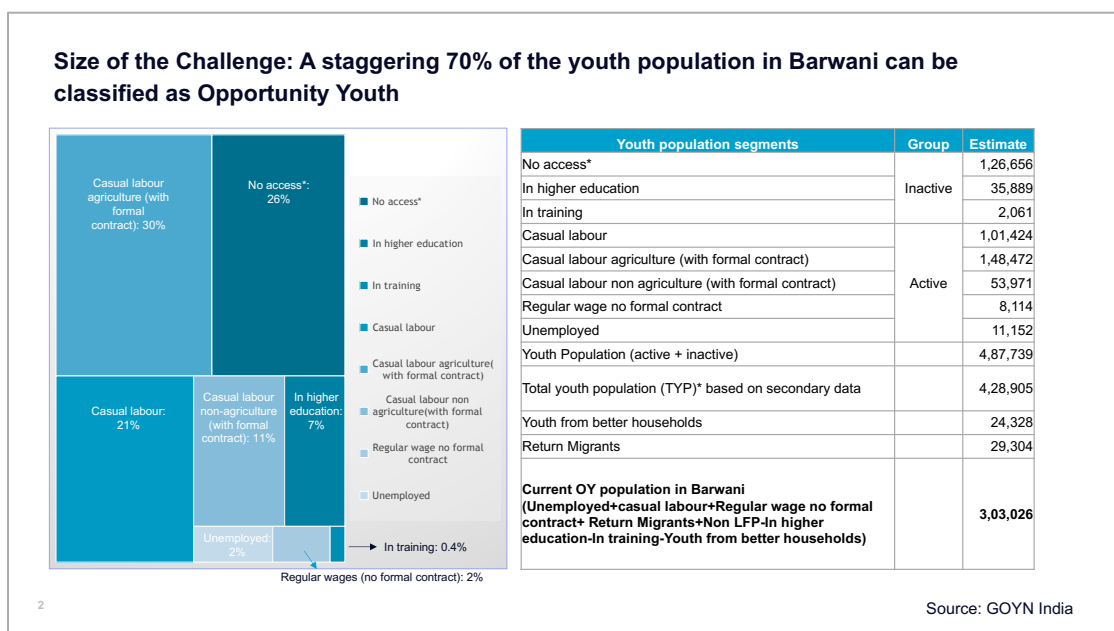


FIG 1.6: CALCULATING THE NUMBER OF OPPORTUNITY YOUTH IN A DISTRICT (BARWANI, MP EXAMPLE)



Further segmentation within rural youth populations shows that challenges, access, opportunities, and aspirations vary significantly by gender, age, socio-economic standing, educational qualification, and pin code, with even starker differences in the Aspirational Districts.

### YOUTH SEGMENTS VARY CONSIDERABLY IN URBAN AND RURAL CENTRES

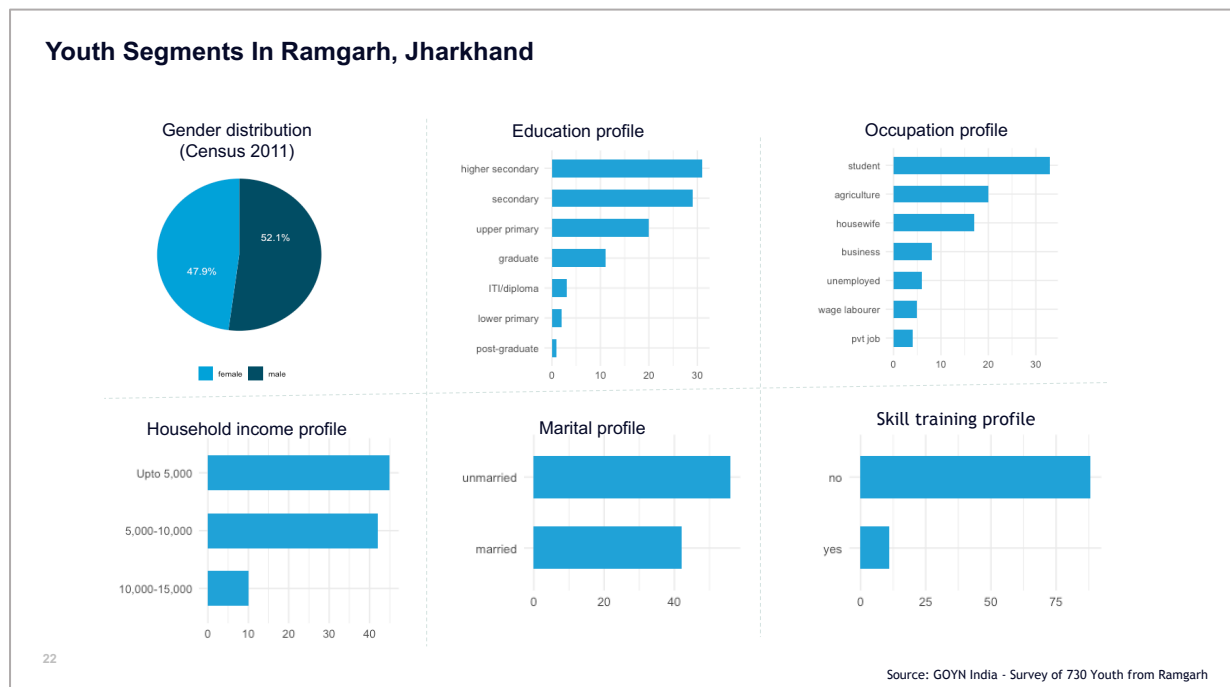
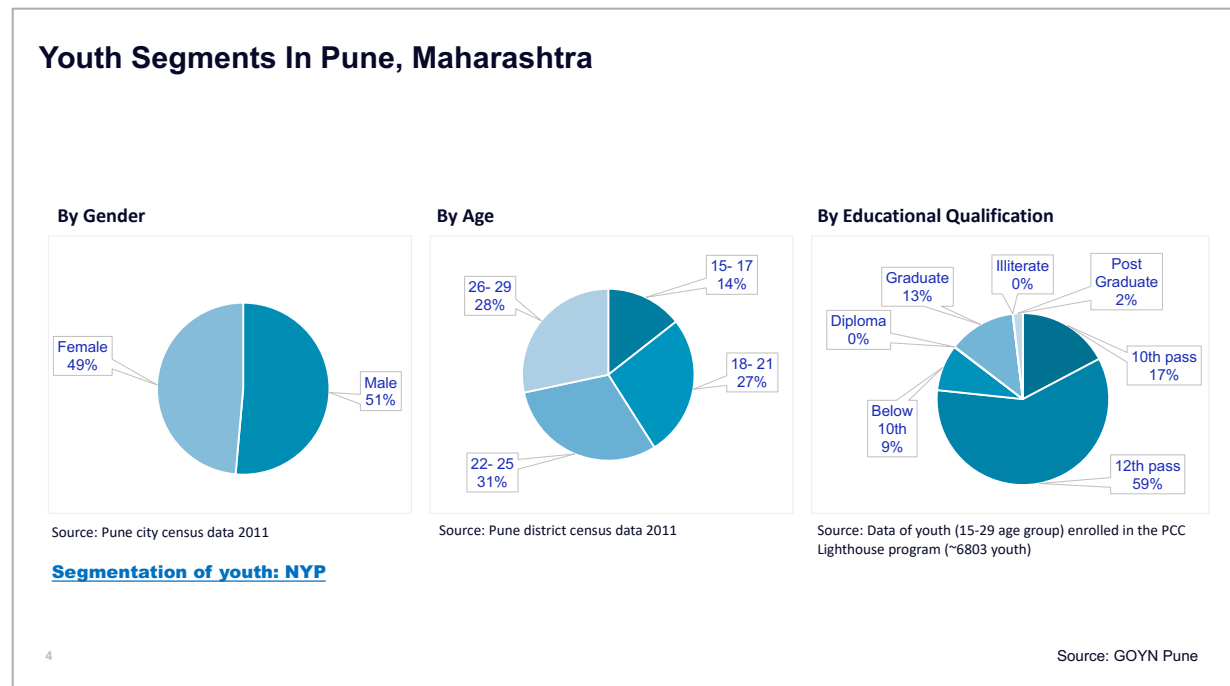


FIG 1.7: YOUTH SEGMENTS VARY ACROSS URBAN AND RURAL CENTRES

Some of the key challenges noted by rural youth are poor economic conditions, lack of local jobs, lack of guidance and counselling, and low paying, often exploitative, day labour opportunities when they migrate to urban / semi-

urban centres for seasonal work. Furthermore, there is a disconnect from information and market trends due to poor backgrounds in education and skilling compounded by erratic wi-fi, and digital infrastructure and literacy.

### YOUTH FACE SEVERAL AND VARYING SYSTEMIC CHALLENGES BY SEGMENT

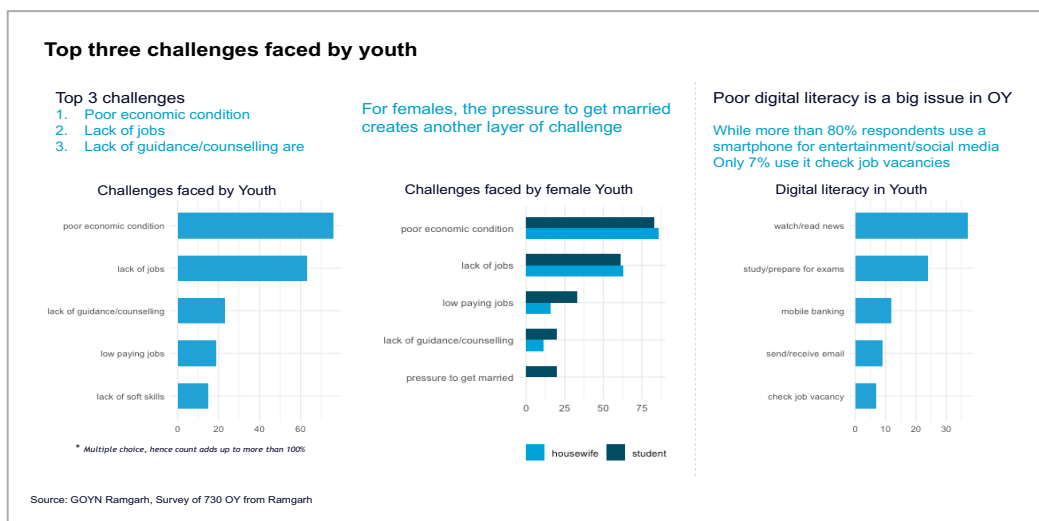
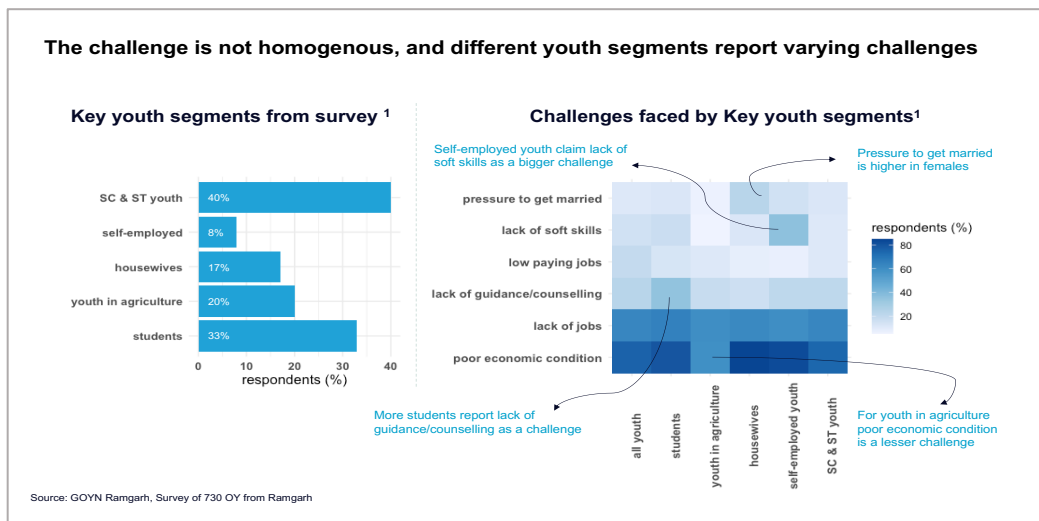
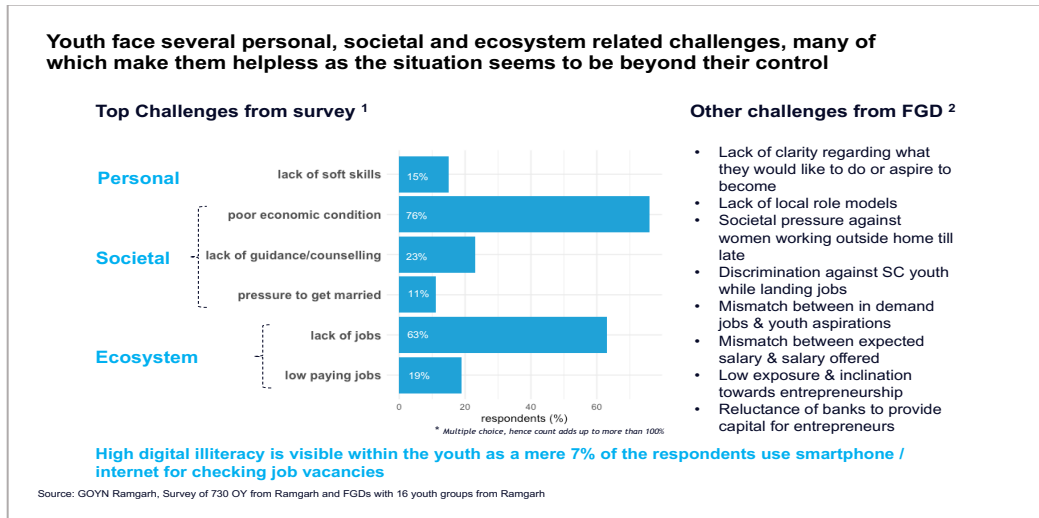


FIG 1.8: YOUTH CHALLENGES BY SEGMENT

In many rural districts, especially tribal pockets in the central and eastern belt, there are further segmentations by level of access and socio-economic standing. For example, in Barwani district, MP - a concentrated tribal belt - challenges include lower than state average annual household income, restrictions on mobility and hence accessible livelihoods pathways, very low levels of skilling, and even lower level of labour force entry post skilling.

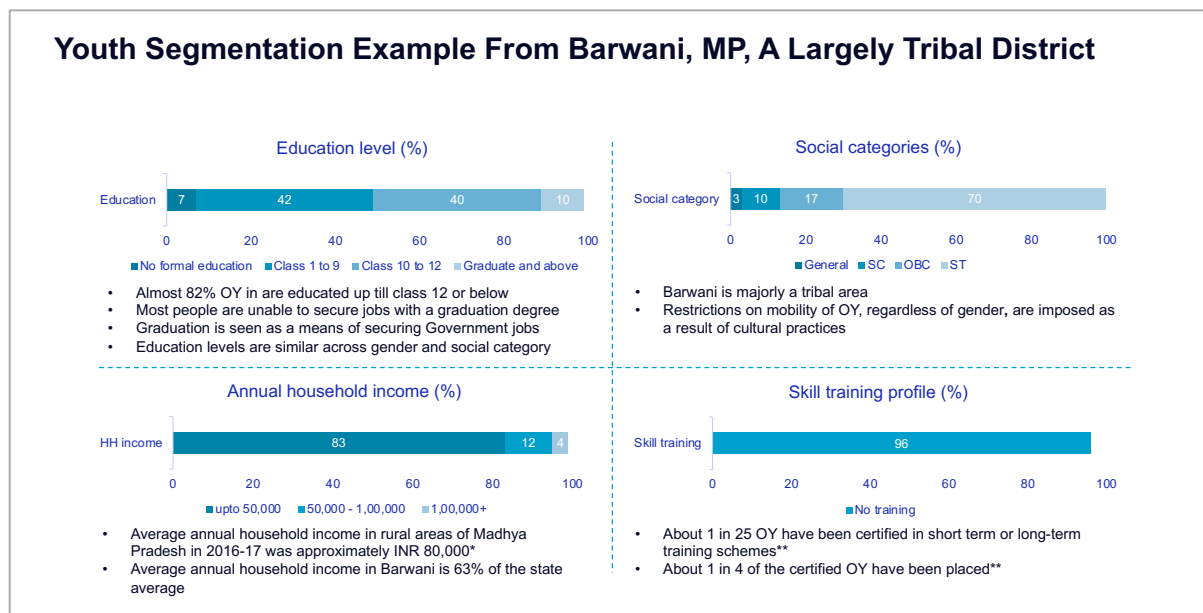


FIG 1.9: OPPORTUNITY YOUTH SEGMENTATION IN A DISTRICT (BARWANI, MP EXAMPLE)

**Youth Voice: Young People Know What They Need, But Inclusion Of Rural, Hard-To-Reach Youth In Program Design Is A Key Missing Piece:** For very pragmatic reasons, youth need to be involved in design and actively sought out to provide feedback on programs and services. Youth are, after all, the consumers of services who can provide the most meaningful feedback on the efficacy of a particular intervention. They can also ensure that programs are designed to meet the highest order community needs. Just as importantly, in a country like India where youth are a significant percentage of the population, youth leadership and youth agency are important aspects of building vibrant communities and an engaged citizenry with a voice in the political and social processes shaping their futures<sup>24</sup>. Engaging youth in program design and regular feedback is an increasingly accepted—and needed—practice that both ensures youth agency in their own future and helps inform and improve programmatic design<sup>25</sup>.

There are immediate and evident benefits of including young people in livelihoods and job program design - including improved information flows among youth and their communities and the emergence of new program delivery mechanisms. Engaging youth as partners in the co-creation and design of youth and livelihoods programming can also shift the narrative that especially rural youth do not have what it takes to be an entrepreneur, are not hard workers, and do not have the aptitude to learn.

Reaching, engaging with, and supporting young people to create and implement interventions that address local barriers to youth economic opportunities is central to a successful program. Further, inclusion of marginalised groups - including women who have not been participating in the paid labour force, tribal communities, and people

<sup>24</sup> McAuliffe, Global Opportunity: Get Youth Working

<sup>25</sup> McAuliffe, Global Opportunity: Get Youth Working

with disabilities is needed. Shifting to an “asset-based lens” invites young people to share their voice in a way that lifts their talents, lived experiences and aspirations for the future <sup>26</sup>.

Despite this, almost all programs and interventions do not include youth from rural areas at the program design stage, and breakdowns in including youth voice are happening at every stage of programming - program design to implementation through to tracking outcomes. That youth cannot contribute constructively is a misconception – it is well proven that programs which exclude the benefitting stakeholder are set up for eventual failure, and authentic inclusion of youth voice beyond tokenism or optics is a big gap.

**Solving Rural Youth Unemployment At Scale Demands A Holistic Approach That Goes Beyond Training and Placement:** While training and placement are important, they are only pieces of a larger puzzle. Young people need a whole range of supports through their journey from unemployment to successful retention in the workforce. The size of the problem is so large that there is need to focus on creating and strengthening systemic and foundational ecosystem pillars including comprehensive and integrated policies, institutions and systems that build human capital and strengthen skills, stimulate job creation, promote youth employment, and support decent work.

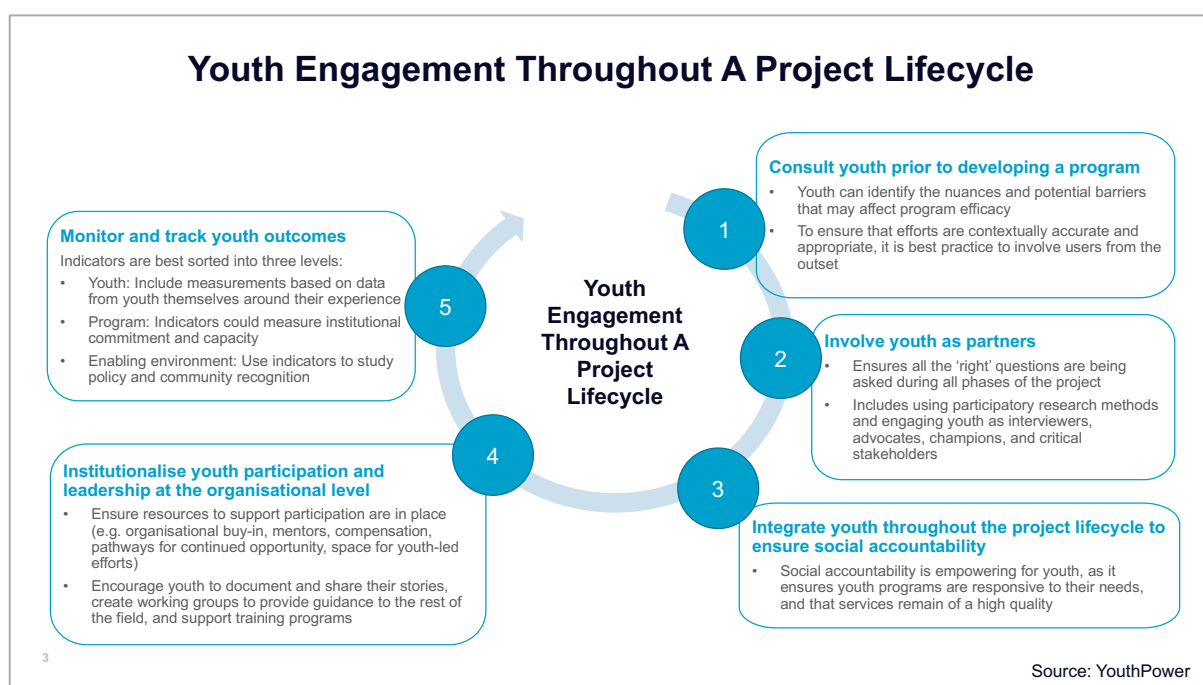


FIG 1.10: ENGAGING YOUTH THROUGHOUT A PROJECT LIFECYCLE

While many public and employer programs have made great progress, success is scattered and saturation at scale remains a challenge. One key systemic gap is the challenge in building consensus between multiple players with different differing priorities in the workforce and employment system. This leads to coordination failure, undermining effectiveness, and scale. Additionally, job accessibility, inadequate or unsafe accommodation and transportation infrastructure, workplaces – especially factory settings – being underequipped for women, etc. are challenges faced by many young workers. With job opportunities increasingly urban-based, all these factors further compromise one’s access to employment opportunities. Critical gaps in the current ecosystem ultimately translate to youth needing jobs and entrepreneurship opportunities and businesses needing strong employees and

<sup>26</sup> An asset-based lens was pioneered by the Forum for Community Solutions at the Aspen Institute and the core principle of the Global Opportunity Youth Network (GOYN) to label youth “Opportunity Youth” rather than marginalized or vulnerable.

suppliers, but both sides struggling to find high quality opportunities and resources, impacting GDP and ultimately sustainably and locally driven economic growth.

**Breaking Down the Youth Unemployment Challenge into Addressable Units:** The unemployment challenge for 250 million youth across rural India seems daunting, and the above mentioned focus areas are complex with diverse contexts. But this becomes much more manageable and addressable when we break up the problem at a district level, which has on an average 2,50,000 -3,00,000 young people who need support to enter and stay in the work force.

In accordance with this premise, the following Chapter 2 outlines a ‘place-based approach’ to address youth unemployment at scale.

## **Chapter 2: A Place Based Approach for Youth Programming**

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**Youth Livelihoods Programming In India:** Youth livelihoods programming in India has made significant advances over the past decade. However, these efforts have been unable to solve the youth unemployment challenge. There is a need to look at success stories emerging in pockets, re-evaluate failures and their root causes, and pivot towards an approach that can work at scale, in partnership with all stakeholders, including youth.

### **The Place Based Approach:**

Pioneered by **Global Opportunity Youth Network (GOYN)**, to address youth employment, the approach is focused on catalysing place-based systems shifts in communities - cities and rural districts - around the world through the creation of sustainable economic opportunities and improved well-being for “**Opportunity Youth**” - youth aged 15-29 who are involuntarily out of school, training, unemployed or underemployed.

The approach has received significant traction in India and globally and is focused on context or “place” specific interventions, collaborative in design and implementation, and uses a systems lens to understand the jobs or livelihoods ecosystem opportunities most ripe for change.<sup>27</sup> The youth opportunity and well-being ecosystem is very context specific. Approaches that are effective in certain states, cities, districts, or even blocks have less relevance in others because of differences in the underlying structural, economic, and cultural factors. A place-based approach means focussing on solutions that are grounded in a deep analysis of the local youth employment ecosystem which are developed and implemented locally by bringing together stakeholders active at the local level.

- **Breaking Down the Problem into Addressable Units:** Focus on “place” enables a deep work up to a saturation point to change the employment landscape in that place. For example, an unemployment challenge for 250 million youth across rural India seems daunting and complex to solve but becomes much more manageable and addressable when we think of 2,50,000 – 3,00,000 young people at a district level. In this scenario, local partners can focus on reducing that number and address the range of systemic issues in that particular district that contribute to the challenge. Feedback loops are also shorter at the community level, with greater and immediate accountability among stakeholders if there is transparency and clear and frequent communication across the ecosystem.
- **Local Solutions for Local Challenges:** A focus on community-driven development and place-based approaches allows for issues to be solved locally, based on context and associated challenges and opportunities - including prevalence of social norms, availability and access to natural resources and assets, access to education, skilling, and formal work, etc. Each location has its own specific context in terms of policies, value chains and markets, assets, and youth-specific aspirations - and many fragmented youth employment programs with many small, uncoordinated interventions. The need is to look at ‘place’, **co-create solutions with local stakeholders including youth**, coordinate existing interventions to optimise efficiency and impact, and address gaps where they exist.
- **Leveraging Our Advances in the Skill Development Arena:** Skilling youth to increase employability and enabling their absorption into the labour force via entrepreneurship, livelihoods and self-employment, and jobs is central to harnessing youth energy and innovation while creating gainful productive economic engagement. With India’s diverse population varying by state, district, and even block, we have an exceptional advantage in our understanding of income generation pathways, and our definition of work varies from formal jobs and high growth entrepreneurship to livelihoods and economic inclusion, to micro/moderate growth enterprises including in the informal sector, as drivers of job creation. With this nuance, we have been able to set up supports across the spectrum, with especially great advances in skilling job seekers and matching them to jobs. With the nature of work changing rapidly, it is important to continue and amplify these efforts of skilling, reskilling and upskilling our workforce.

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<sup>27</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World, McAuliffe, Global Opportunity: Get Youth Working

Additionally, there is an increasing recognition that in order to unlock the full potential of the great advances we have made in setting up skilling and employment programs and infrastructure, there is a need to double down on **using data and evidence to design programs**, bridge the disconnect between labour supply & demand, and address key systemic barriers to youth employment.

**Anchor Partners Are At The Core Of This Approach:** Working with **Anchor Partners** situated in communities around the world, the place-based approach focuses on locally driven solutions, multi-sector collaboration and participatory solution design with an emphasis on equity, systems-level change, and amplifying the voices of youth. Anchor partners are trusted local entities who are the backbone of the approach. Their role includes convening multi-stakeholders across the youth employment ecosystem, facilitating convergence and capacity building of stakeholders and interventions in the community, unlocking resources for work in the community, facilitating data and evidence gathering to input into strategy design, facilitating cross stakeholder learning, and tracking program impact at the youth, and ecosystem levels. Anchor partners also build long term relationships with governments and private sector (employers, buyers, donors) and influence systems shifts that catalyse opportunities for thousands of youth in their community.

### Five Big Ideas to Shift The Youth Employment Approach Across Rural India:



FIG 2.1: FIVE BIG IDEAS TO SHIFT THE YOUTH EMPLOYMENT APPROACH ACROSS RURAL INDIA

**In India, the place-based rural youth employment intervention has gained significant traction in each of these areas:**

- 1. District As A “Unit Of Change”<sup>28</sup> (Collaboration, Convergence, And Saturation Of Programs):** For rural India, a district is an achievable and measurable unit of change to activate mass-scale economic opportunity for rural youth across the country. Integrated, place-based saturation is possible by combining existing livelihoods and employment programmes to address targeted gaps in labour supply, creation of local demand, and improving the quantity and quality of local employment. Entrepreneurship and self-employment are of particularly critical importance, with the number of young people entering workforce far outweighing jobs created. At the district level, there is a need to:

<sup>28</sup> GOYN brainstorming, original inception from MSDF lead Santosh Ramdoss



- Move away from linear and distributed programming, to map a ‘suite of solutions’ that support youth to enter, remain, and grow in the labour force
- Coordinate the local employment ecosystem to address structural barriers to economic opportunity
- Customise youth employment strategies to local needs and current, future market demand

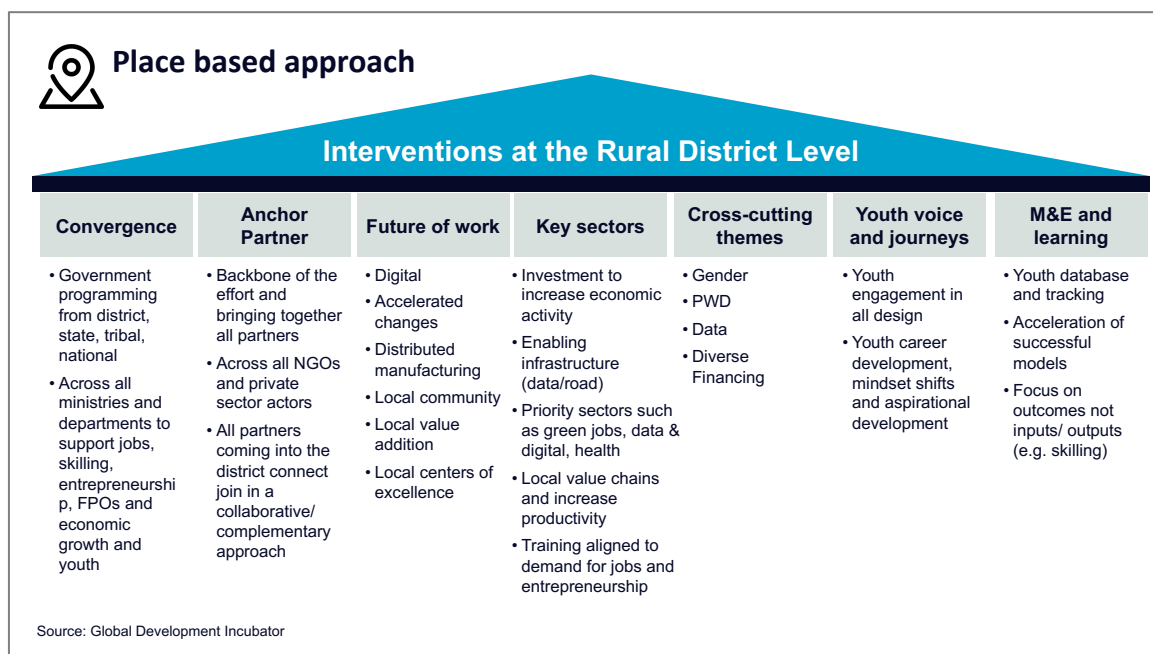


FIG 2.2: PLACE BASED APPROACH – INTERVENTIONS AT THE DISTRICT LEVEL

Critically, convergence for unified delivery of all programmes and schemes distributed across the Ministries of the Government of India is needed at the district level to respond to the multifaceted nature of the youth employment.

- 2. Increased Rural Economic Activity (Development of High Growth Sectors):** Aspirational opportunities continue to be concentrated in urban areas, and young people either move there seasonally to do unskilled, often exploitative work with no increase in real income and no prospects for upward mobility or work or more permanently for entry level jobs in sectors such as hospitality, retail, and healthcare. While some migration is natural and desirable, there are many young people who want to stay in their villages - data shows an overwhelming 90 per cent of young people prefer to stay in their villages if they can find work there - even if it pays less (~Rs 1-1.2L per annum per household in JH)<sup>29</sup>. Thus, along with preparing youth to participate in the workforce, it is also critical to increase economic activity at the district level, so a majority of young people have access to aspirational activities locally and those who choose to move to urban centres move for significantly higher growth opportunities.

<sup>29</sup> Survey by Transforming Rural India Foundation, 2020

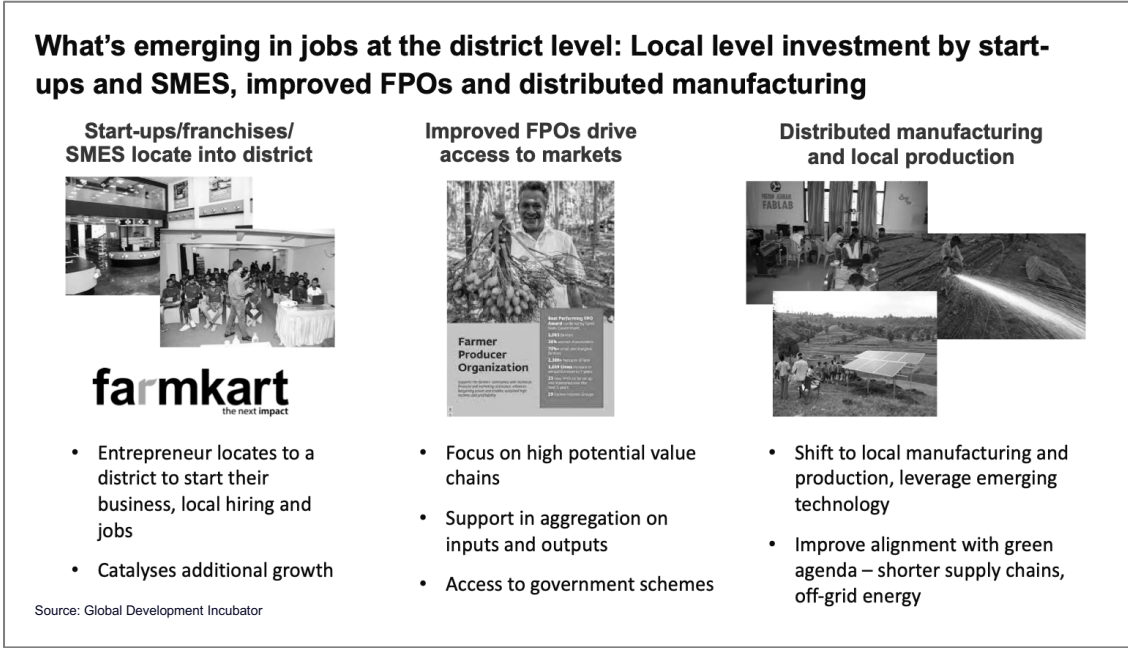


FIG 2.3: EMERGING JOB CREATORS AT THE DISTRICT

3. **Suite of All Solutions (Jobs, Self-Employment, Entrepreneurship, Emerging Sectors, Gender, Future of work):** There is no silver bullet to address youth employment. Each context is different, with different governments, business clusters and opportunities. Therefore, GOYN aims to develop a hyper localised “suite of solutions” (demand and labour market mapping, vocational support, job training, placement, and entrepreneurship), including a referral network customised to each youth, but executed at scale. In this way, the complexity of systemic, sustainable change becomes manageable at the level of a county, municipality, or district.

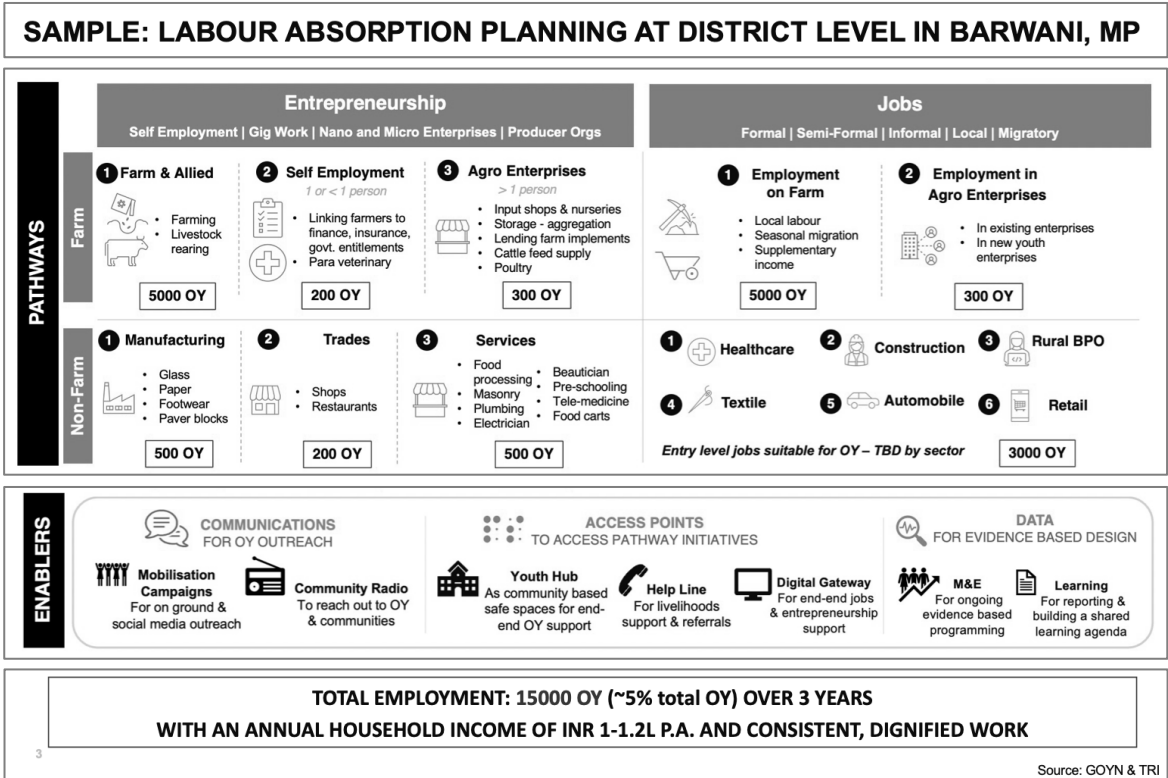


FIG 2.4: LABOUR ABSORPTION PLANNING AT THE DISTRICT

Many youth employment interventions exist but remain small, disconnected from other sectors, and focussed on treating the “symptoms”, instead of addressing the *systems* that create these symptoms and, as a result, are often able to reach at most only a few thousand young people a year. With 2,50,000 – 3,00,000 young people in need of work at each district, no single solution is sufficient to effectively absorb young people entering the working age population into the labour force. But collaboratively advancing a “suite of solutions” for youth employment and entrepreneurship commensurate with the size of youth unemployment is viable and has the potential to address the problem at the necessary scale. Some examples include:

- **Reviving Youth Interest in Agriculture and Allied Activities:** On farm work has the potential to directly absorb large numbers of youth in the presence of favourable conditions. Increasing on farm productivity also indirectly creates an ecosystem of entrepreneurs that provide services locally. At the rate of one agri-entrepreneur per 200 farmers<sup>30</sup>, these entrepreneurs offer various solutions including selling high quality inputs, soil testing, crop advisory, para-veterinary services etc. that facilitate increasing productivity. Separate ecosystems including FPOs that facilitate aggregation, value addition, financing and market access also create local work for young people.
- **Local Non-Farm Activities:** Apart from farm work, there is need to increase non-farm opportunities – some emerging jobs trends at the district level include local level investment by start-ups and SMEs, high capacity producer organisations, franchising and distributed manufacturing, and local production.
- **Wrap Around Services Critical to Access Formal Employment at the District and Beyond:** With increasing urbanisation at the district level, jobs in retail, hospitality, healthcare etc. are increasing at the district level. But young people, especially women need a host of wrap-around services that can facilitate their mobility to travel away from home for this work - including childcare and safe transport, and young people need extensive and ongoing support from pre-skilling until successful retention in the workforce.

#### 4. Youth Voice, Aspirations, and Long-Term Outcomes Tracking:

**Youth Voice:** For very pragmatic reasons, youth need to be involved in design and actively sought out to provide feedback on programs and services. Youth are, after all, the consumers of services who can provide the most meaningful feedback on the efficacy of a particular intervention<sup>31</sup>. They can also ensure that programs are designed to meet the highest order community needs. Just as importantly, in a country like India where youth are a significant percentage of the population, youth leadership and youth agency are important aspects of building vibrant communities and an engaged citizenry with a voice in the political and social processes shaping their futures.

GOYN promotes ways of working that put young people at the heart of solution design, actively engaging youth from the ideation stage through implementation. Human-centred design principles are used to identify barriers and solutions and co-create strategies to reach scaled impact for Opportunity Youth and their peers. Through this process, youth are invited to engage with stakeholders across the entire community to advance economic pathways. GOYN also works with Opportunity Youth to help them understand and use data to advocate for policy change with employers and government actors, and to develop, oversee and lead the implementation of strategies.

**Authentic Youth Partnership:** There are four key elements to authentic inclusion of youth voice in youth programming<sup>32</sup>:

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<sup>30</sup> Agri Entrepreneur Growth Foundation

<sup>31</sup> McAulliffe, Global Opportunity: Get Youth Working

<sup>32</sup> The future is young learning series partnering, mobilizing, connecting: GOYN’s approach to youth engagement

- Engaging young people as partners in the co-creation and design of solutions to youth unemployment. Centring their perspective and valuing and amplifying their voices through meaningful engagement to build around their aspirations and challenges
- Creating a national network of community based youth leaders to share learnings, actions, and innovations
- Linking young people to resources, support, and allies to build youth agency
- Promoting equity of access and opportunities

For all of the above, there is a need to emphasise the need for genuine partnership with young people, and to focus on engaging youth who are often deemed too hard to reach or seen as less valuable contributors, and therefore left behind in youth engagement activity.

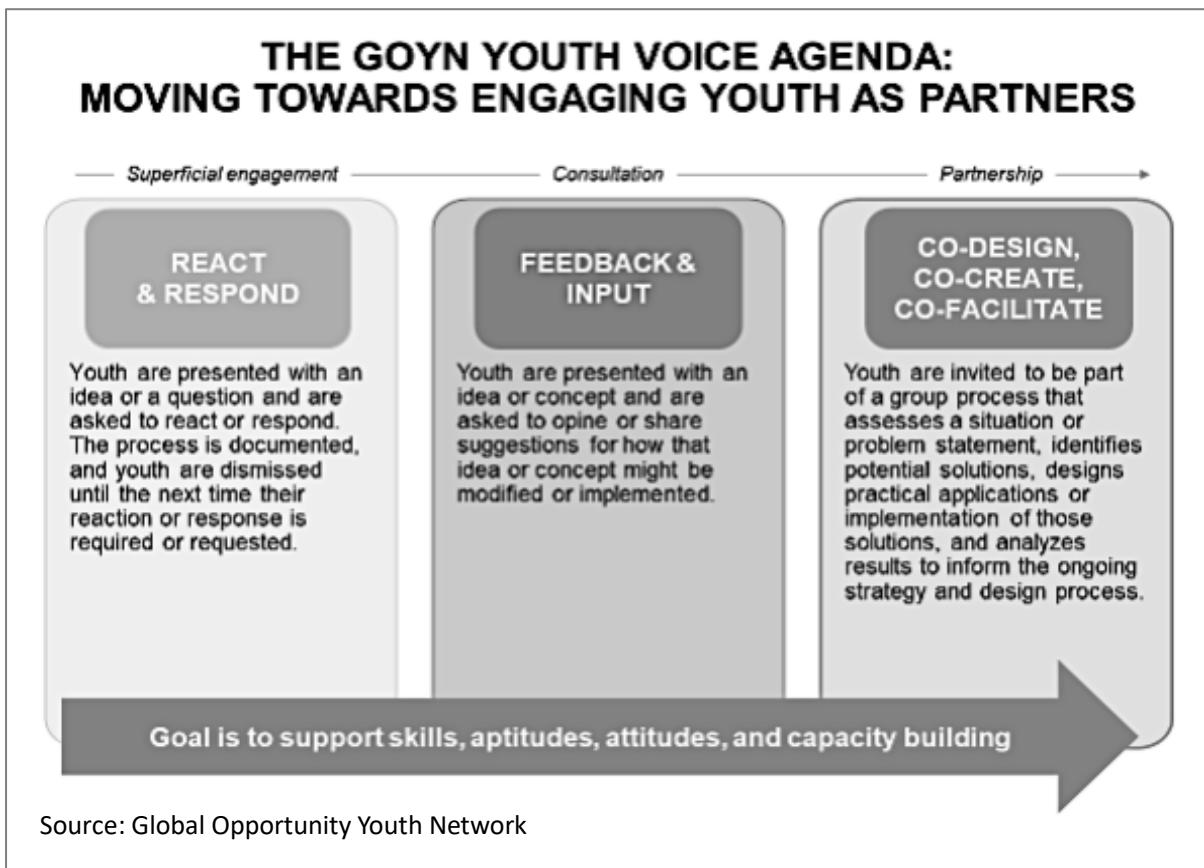


FIG 2.5: GOYN YOUTH ENGAGEMENT APPROACH

In both Ramgarh and Barwani, young people are engaged in program design as well as local decision making at various levels as follows:

Gram Panchayat Level: Youth participate in the development of the Gram Panchayat Development Plan (GPDP) to ensure youth voice and needs are included in the GPDP, and appropriate budget is allocated towards these.

District Level: Youth Advisory Groups set up as a part of the GOYN approach. These groups advise GOYN on its strategy for the community, participate in intervention design and implementation, lead, and support youth engagement activities, and act as a champion for GOYN in the community.

State and Country Level: Participation and contribution to youth livelihoods forums organised by GOYN and other key government and non-government stakeholders.

Global Level: Annual Youth Conference where young people from seven countries meet, interact, share learnings, and lead and participate in sessions alongside key ecosystem stakeholders.

### Longer Term Outcomes Tracking:

- **Consistent Tracking Metrics:** Youth training programs lack consistent metrics. The lack of metrics does not allow for regular cross-organizational comparison and cost-benefit analysis and data-driven return-on-investment calculations. As a result, it is very difficult for funders, governments, or businesses to understand the relative quality and cost/benefit of training programs. McKinsey’s Generation Initiative has put forward one proposal to move in this direction: a “cost per employed day” or CPED4 that would capture training costs over the number of days employed in the first six months post-employment, allowing for some cross-provider comparison and data to inform improvements in job retention<sup>33</sup>.
- **Commitment to Data Tracking:** A commitment to data tracking is critical to the effective implementation of multi-stakeholder collaboratives to ensure stated goals and outcomes are achieved, partners held accountable, to enrich learning across sites, and to achieve a better understanding of the return-on-investment of different interventions in different contexts. A clear performance data tracking and research and evaluation process is critical<sup>34</sup>.
- **Shift to Longer Term Impact Tracking:** Currently, youth skilling, entrepreneurship, and employment programs measure impact in terms of numbers of youth trained, placed, provided seed capital, started businesses, etc. There is a need to go beyond these numbers and track youth outcomes over a longer term - primarily - income, savings, and assets. Long-term youth journey tracking enables not only measurement of the above but also gathering of data around which key interventions / combinations of interventions ensure longer-term retention in the labour force, most common drop-off points where young people need extra support to stay in skilling / work, improvement in quality of life of young people and their families, and impact on the district / state GDP. Relatedly, there is a need to shift skilling provider incentives based on numbers trained and placed, to increased income, savings, and assets over eighteen to twenty-four months.

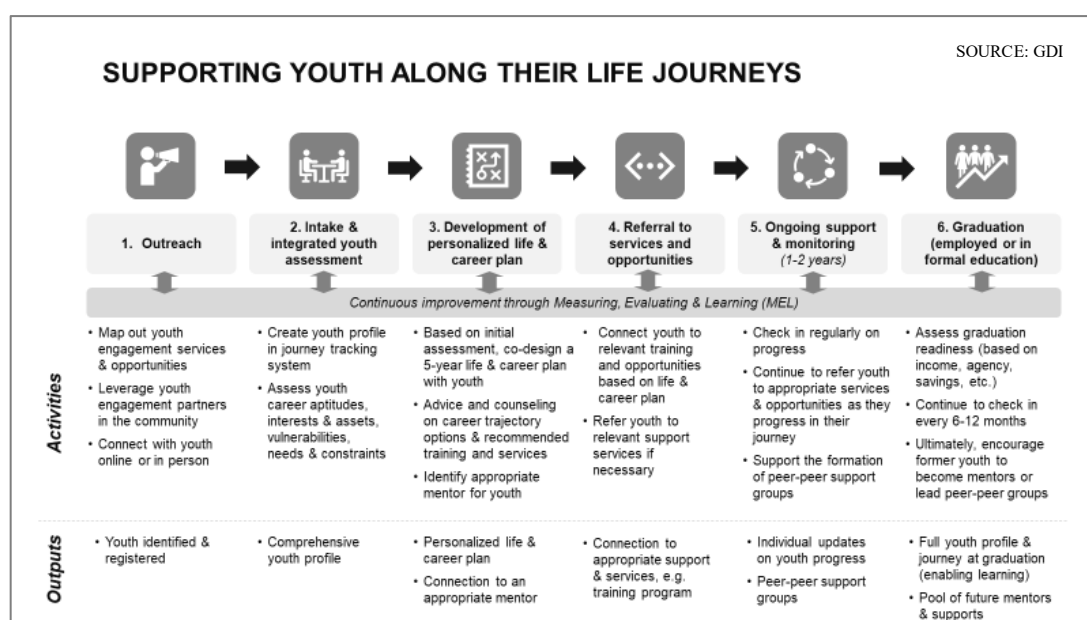


FIG 2.6: SUPPORTING YOUTH THROUGH THEIR LIFE JOURNEYS

<sup>33</sup> McAuliffe, Global Opportunity: Get Youth Working

<sup>34</sup> McAuliffe, Global Opportunity: Get Youth Working

**5. National Convergence of Rural Youth Employability Programming:** India has had a long history of government programmes to address the challenge of rural unemployment. Over the past 75 years, several Specific Rural Development Schemes (SRDS) beginning with CTS, TRYSEM, SEEUYP and evolving to many others including MGNREGA, DAY-NRLM, PMKVY etc. have been implemented with the aim of employment generation in rural India by four key ministries - Ministry of Labour and Employment, Ministry of Skill Development and Entrepreneurship, Ministry of Rural Development, Ministry of Micro Small and Medium Enterprises. Apart from these, several other Ministries have livelihood or livelihood enabling programs, such as the Ministries of Tribal Affairs, Agriculture and Farmers Welfare, Fisheries, Animal Husbandry and Dairying, New and Renewable Energy, Textiles, Women and Child Development, etc. There is extensive and impactful programming, but there is a need for convergence – for programs and ministries as well as CSRs, philanthropy, and impact investment to come together and work towards the rapid realisation of an economic renaissance for India’s rural youth. Three key areas of contribution include:

- Bringing learning, lessons, and best practices from the significant action already underway through initiatives of the government, including the DAY-NRLM, DDUGKY, RSETI, PMKVY, etc. as well as flagship non-government programmes
- Bringing early evidence from pilot districts of what works and what does not work in the proposed place-based, saturation, data driven model contextualised at a district level by local stakeholders including youth to define and create supports for a suite of solutions that enable absorption of youth into the local labour force
- Based on the above, defining roles and responsibilities of key ministries and other stakeholders, and the programme approach - programme pillars, components, and implementation modality
- Pooling resources that work complementarily with the macro view of a district level systemic shift in the employment ecosystem

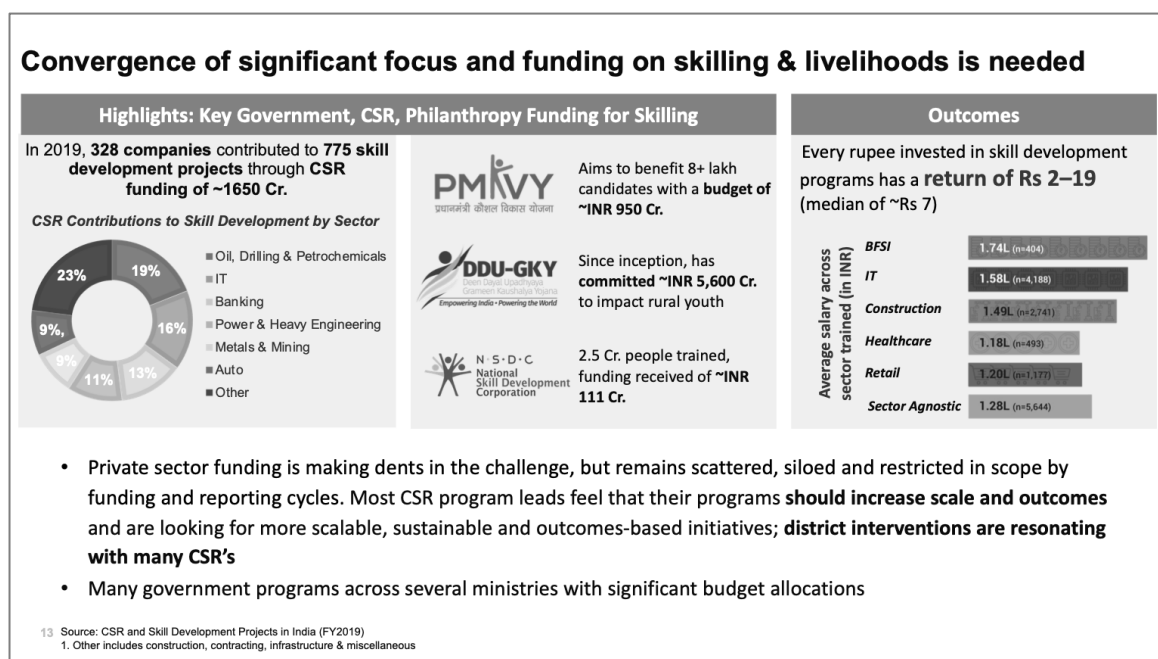


FIG 2.7: KEY YOUTH AND LIVELIHOODS PROGRAMS

### Key Components of Place Based Programming:

#### 1. Research and Analysis (Mapping the District Ecosystem):

In each community, work starts with an in-depth ecosystem mapping exercise, aiming to gather data and evidence to paint a detailed picture of the current landscape of youth economic opportunity in a community, which becomes the foundation to devise the strategy for the community. This ecosystem mapping process

covers (1) the youth employment ecosystem and its key stakeholders, (2) analysis of labour market demand and supply, (3) most impactful opportunities to address gaps or inefficiencies, as well as strengths and existing assets and (4) youth segmentation and profiling.

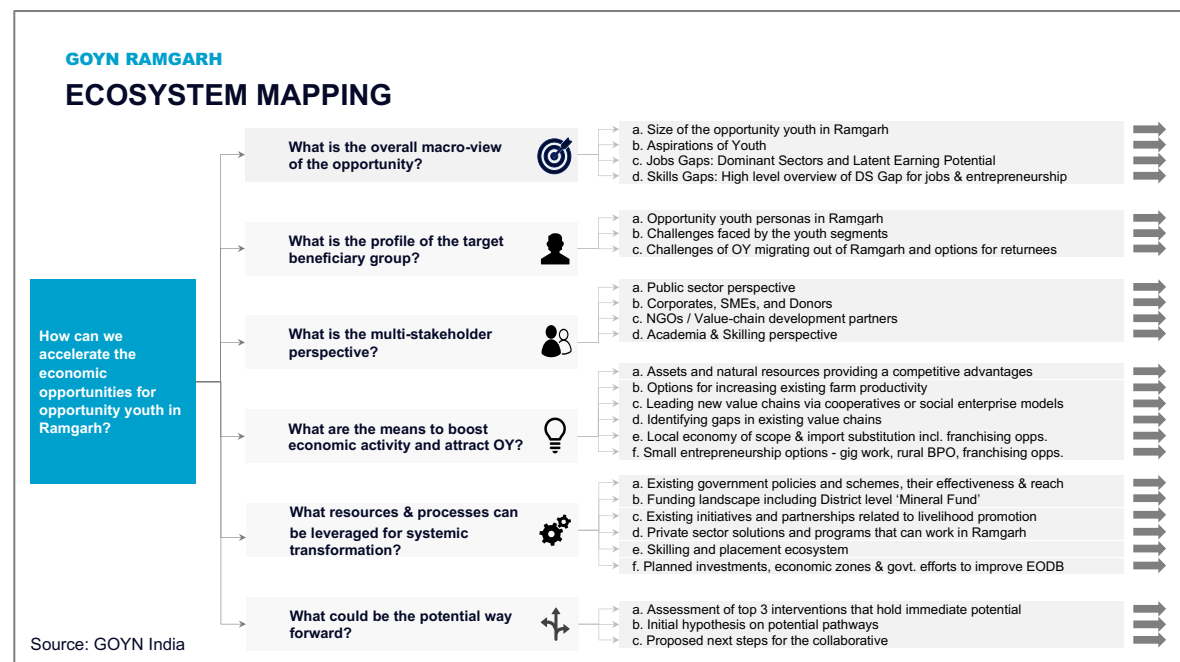


FIG 2.8: GOYN ECOSYSTEM MAPPING SCOPE

This process is essential to bring together stakeholders around a common understanding of youth employment issues and potential solutions in the community and forms the basis of trust-building and collaboration between ecosystem actors. Ecosystem mapping is a collaborative process that involves local youth and other community stakeholders through a series of interviews, surveys, focus groups and workshops.

In Ramgarh and Barwani, for example, GOYN and its partners ran surveys of over 700 ‘Opportunity Youth’ to arrive at a detailed understanding of their profiles, socio-economic context and needs and aspirations. They also interviewed dozens of stakeholders from the public sector, private sector, and civil society (including skilling and vocational training institutions) to identify local assets and gaps in the youth employment ecosystem.

In Ramgarh, for example, the presence of natural forest resources and minerals were identified as important drivers of economic activity – leading GOYN to explore self-employment opportunities in the value chain of these industries. The ecosystem mapping process also revealed infrastructure gaps in terms of power provision and cold storage.

While these gaps negatively impacted economic activity in the community, they also presented opportunities to create long-term change if addressed by local stakeholders (e.g., by exploring mini-grids and distributed generation, or constructing new cold storage facilities). One of the strengths of the approach is its specificity – which includes identification of priority sectors, priority value chains and priority interventions, is one of the strengths of the GOYN approach, with labour absorption as the key focus.



## RAMGARH: ECOSYSTEM MAPPING SNAPSHOTS

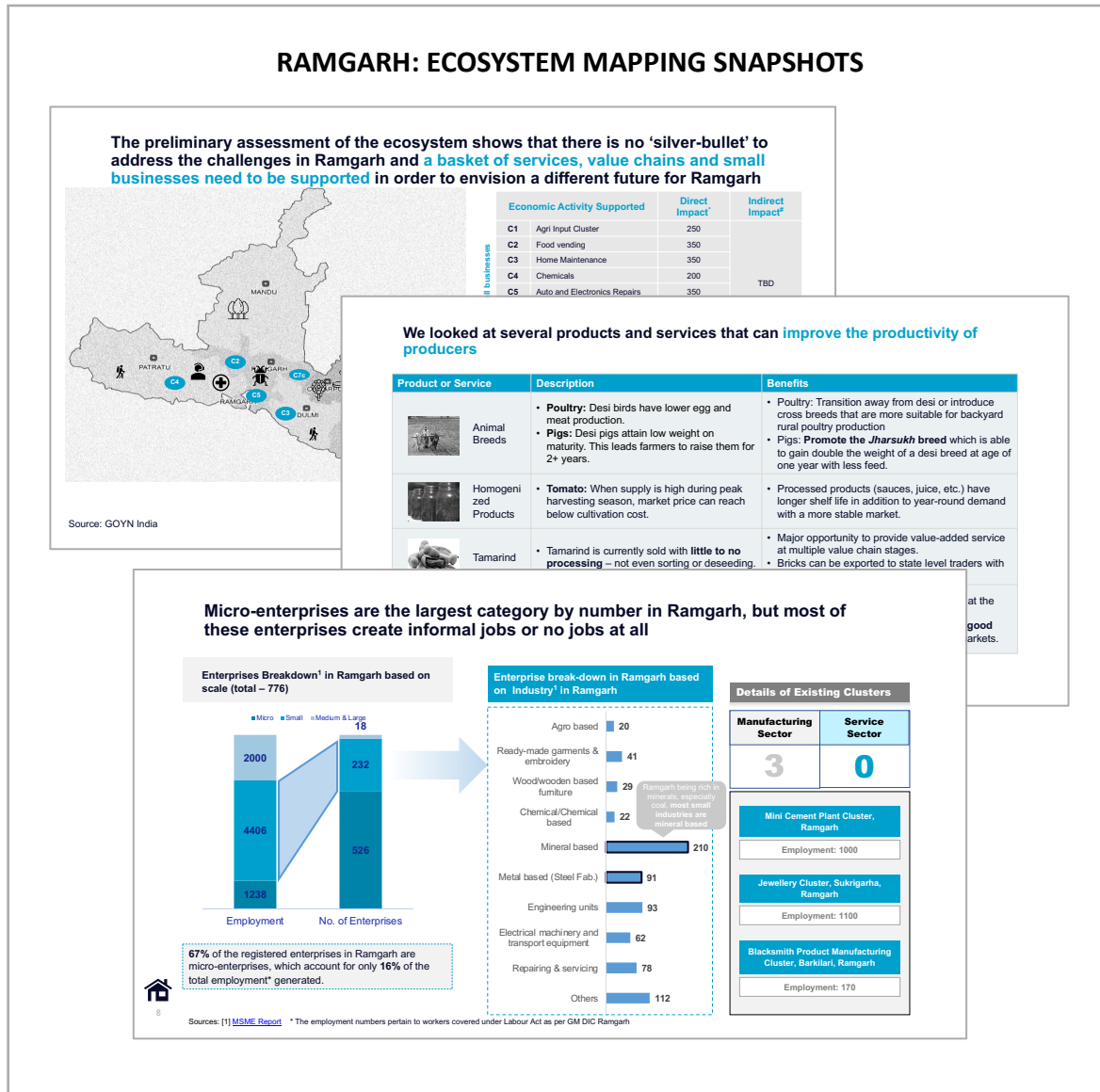


FIG 2.9: GOYN RAMGARH - ECOSYSTEM MAPPING SNAPSHOTS

- Collaborative Infrastructure<sup>35</sup>:** Collaborative Infrastructure is designed to create deep, long-term connections between different points of a network – in this case, stakeholders within the youth employment ecosystem. Collaboratives bring together actors from different sectors who share a common vision and commitment to addressing youth employment in their community, including stakeholders from the public and private sectors, education and skilling providers, civil society organisations and youth themselves. The purpose of these Collaboratives is to build collaboration, mutual accountability, trust and ownership over the challenges, strategies, and solutions to youth employment in the long term as well as weather any political changes that inevitably come in each community. Collaboratives are further unique in that they focus on leveraging extensive data sets and information for decision-making, bringing together community stakeholders who may have previously been left out of decision-making (such as youth themselves). Collaboratives also seek to address existing power imbalances among stakeholders from different sectors by building capacity, encouraging constructive dialogue, and strengthening feedback loops within the local

<sup>35</sup> The future is young learning series Collaborative Infrastructure: The Foundation of Systems Change for Youth Employment



ecosystem. This type of approach is much more difficult at a national or regional level: it is through the power of community driven development and ownership that Collaborative Infrastructure works best

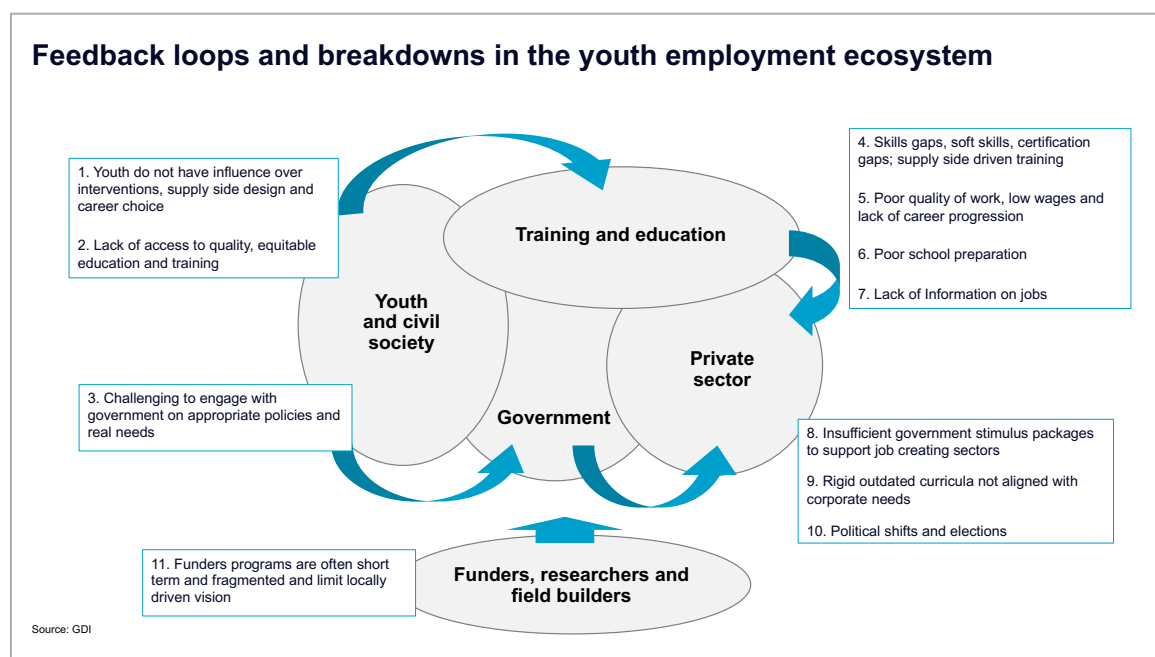


FIG 2.10: GOYN RAMGARH - ECOSYSTEM MAPPING SNAPSHOTS

An illustrative example of a Collaborative Infrastructure can be found in the GOYN<sup>36</sup> - which has adopted an established and institutionalized approach to building the Collaborative Infrastructure rather than a loose, purely relationship - based collaboration. Each GOYN Collaborative includes an Anchor Partner (the lead convener for the Collaborative), a Youth Advisory Group (YAG), a Multi-Stakeholder Advisory Group (MSAG), technical working groups, and a broader group of organisations that convene regularly to identify high priority needs, goals, and strategies related to youth work and outline the policy, funding, and coordination needed to scale economic opportunities for youth in their communities. Each of these structures that make up the Collaborative Infrastructure require clear terms of references, with specified and limited time to serve, roles and responsibilities, and a process that aims to reduce any politics or preferential treatment of those who serve in these roles.

Key Roles of a Collaborative:

1. **Aligning on a shared vision for youth economic opportunity:** If stakeholders do not understand the problem in the same way, they are unlikely to agree on the solutions to adopt. The first task of the Collaborative is to develop a shared understanding of the challenges and opportunities related to youth employment in the community, on which a common unifying vision for the community can then be built. This shared visioning is supported by the Anchor Partner through the presentation of detailed data and evidence that can help stakeholders arrive at a common understanding of the issues and potential ways forward.
2. **Developing and jointly implementing a strategy:** Once the Collaborative has arrived at a shared vision, it takes on the responsibility to co-design and implement a long-term strategy to drive change

<sup>36</sup> The GOYN approach to Collaborative Infrastructure builds on work done in North America over the last decade by the Aspen Institute (through the Aspen Forum for Community Solutions) and FSG, with communities implementing this type of collective impact structure as well as Global Development Incubator's approach to community-based multi-stakeholder initiatives. The GOYN approach also benefits from the work of Youth Build International and its deep work with youth in the USA and around the world, and from Catholic Relief Services' models in the global context and commitment to scaled impact

in the community. Because the strategy is owned by the Collaborative rather than any single organization, it can be championed by all stakeholders and leverages the existing strengths and assets in the ecosystem, sharing implementation responsibilities across the members of the Collaborative.

3. **Coordinating stakeholders and holding them accountable:** By providing a structure and processes for coordination, the GOYN Collaborative ensures ecosystem stakeholders keep pushing in the same direction. Stakeholders gain visibility on their respective assets and activities, and can use the Collaborative's communication channels to request or share information. The Collaborative also enables stakeholders to make and demand public commitments from one another, driving a sense of accountability to one another.
4. **Enabling data-driven decision-making:** Through the Anchor Partner, the Collaborative continuously collects data and evidence on the state of youth employment in the community, monitoring overall progress as well as the impact of specific interventions or campaigns led by the Collaborative. This constant data-gathering exercise enables the Collaborative to make strategic decisions informed by hard facts and evidence.
5. **Leading communications and advocating for change:** The Collaborative develops a joint communications strategy on youth employment, enabling its key messages to reach a much broader audience than any one organization could reach. This consistent joint messaging at scale is critical to advocate for change and remove the structural barriers to youth employment in the community.

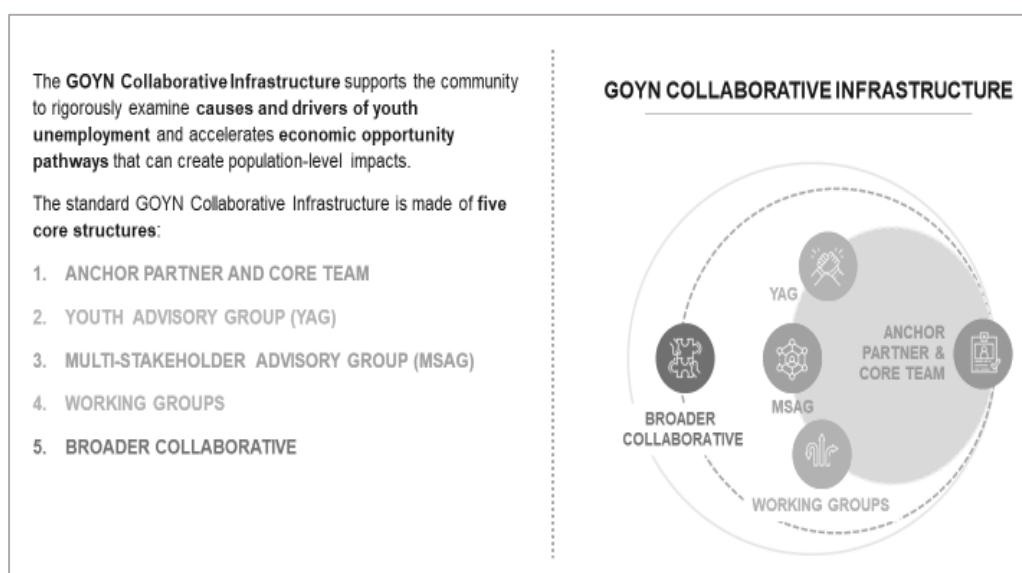


FIG 2.11: GOYN COLLABORATIVE STRUCTURE

Transform Rural India Foundation is the GOYN Anchor Partner in Ramgarh district, Jharkhand and Barwani district, Madhya Pradesh. It is supported by two Youth Advisory Groups, including 14 ‘Opportunity Youth’ in Ramgarh and 21 ‘Opportunity Youth’ in Barwani (including 12 young women). The two communities also have their own Multi-Stakeholder Advisory Groups and technical working groups (for example, a Agriculture Value Chains working group in Ramgarh with technical experts from organisations such as the local KVK, NABARD, the District Agriculture Department, and a grassroots NGO ATMA etc.). Overall, 34 organisations from all sectors participate in the Ramgarh and Barwani GOYN Collaboratives.

## Collaborative Infrastructure: Learnings from GOYN Communities

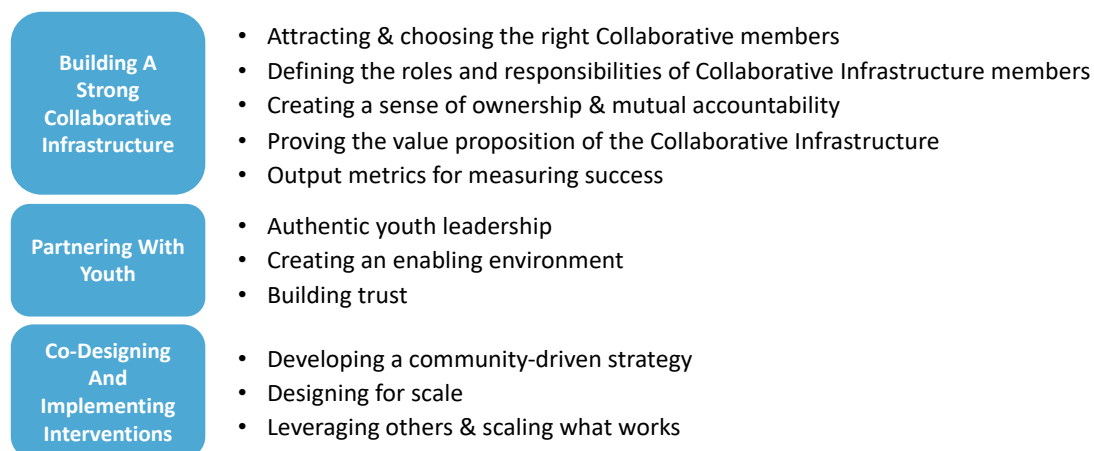


FIG 2.12: COLLABORATIVE INFRASTRUCTURE – LEARNINGS FROM GOYN COMMUNITIES

3. **Opportunity Pathways:** A key output of place based work for youth employment is emerging identifying and activating Opportunity Pathways – local and labour intensive pathways that absorb young people entering the working age population. The pathways are defined and prioritised in collaboration with local youth employment stakeholders, including youth themselves. For example, some pathways emerging across the place based work GOYN is doing in India are highlighted below:

- **Labour Market / Sectoral Pathways:** These are pathways to place youth into employment in growing sectors and value chains. This includes, for example:
  - **Rural Economic Development:** These are pathways to support the development of local economic activity that can provide employment and self-employment opportunities for young people. This can include, for example, value chain development to create value addition opportunities for young people, micro-franchising models which provide young people with seed funding, a ready-to-go business model and market links (e.g., MIRI Market in India), and distributed manufacturing models which aim to manufacture goods close to the place of use, reducing shipping times, environmental impact, and costs. Developing these pathways are particularly important in rural India. According to a 2017 paper by the National Institution for Transforming India (NITI Aayog), “there is a need for a rethink on pursuing traditional development approach of shifting workforce from agriculture to manufacturing and services. India should explore possibilities of creating blue collar jobs in and around agriculture. This also looks desirable as withdrawal of labour from agriculture has already started affecting some farm activities and farmers income adversely and there is serious shortage of skilled workers in agriculture needed for specialised operations and adoption of modern technology”<sup>37</sup>. In line with that approach, in Ramgarh, as part of the GOYN ecosystem mapping process, twenty-two agricultural value chains were evaluated to assess the most promising opportunities for Opportunity Youth, based on existing resources and potential for value addition. Sweet potato and lac emerged as the two most viable opportunities for value chain development. NABARD has funded the development of one hundred acres of a native

<sup>37</sup> NITI Aayog, Changing Structure of Rural Economy of India Implications for Employment and Growth, 2017

## GOYN RAMGARH – SWEET POTATO VALUE CHAIN ANALYSIS SNAPSHOTS

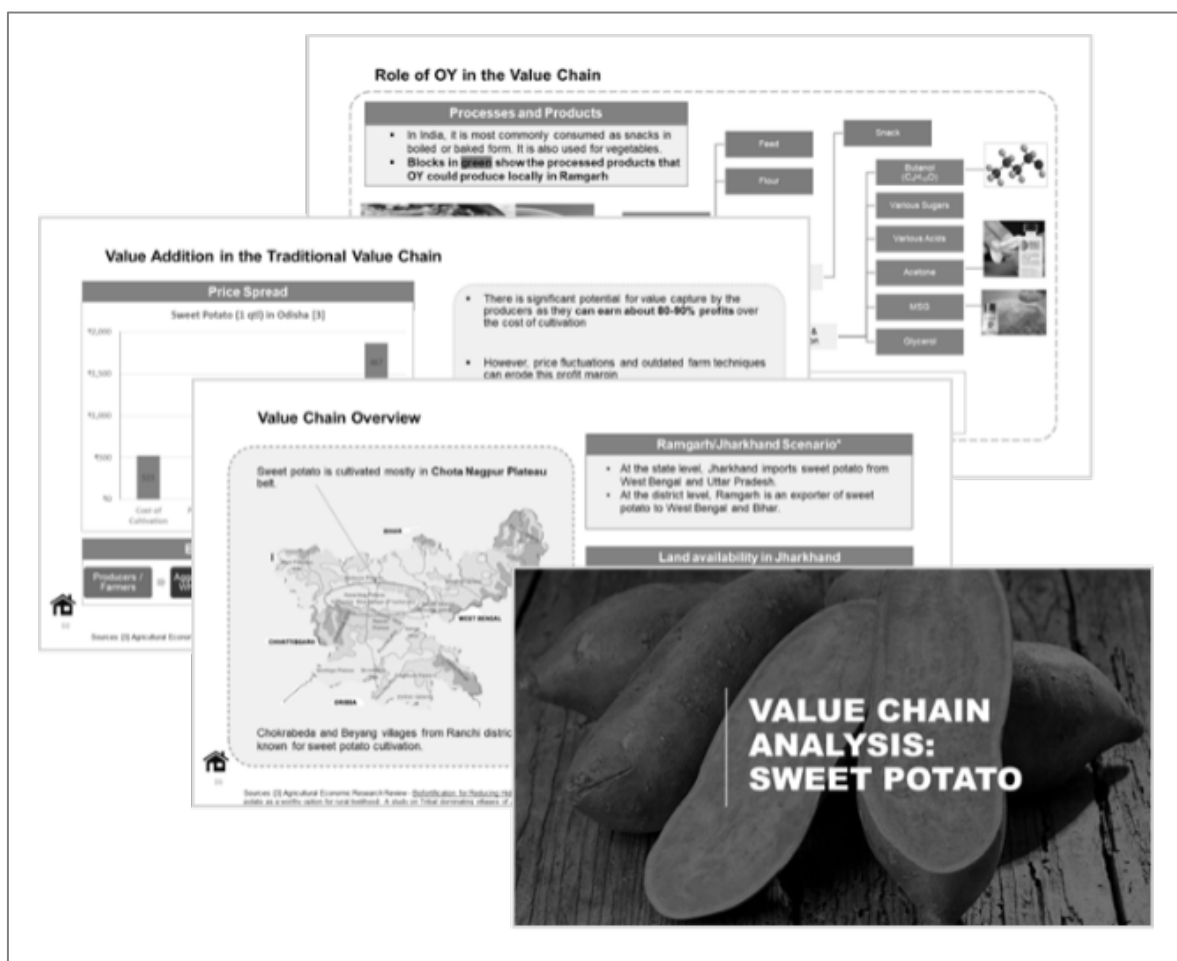


FIG 2.13: GOYN RAMGARH – SWEET POTATO VALUE CHAIN ANALYSIS SNAPSHOTS

orange flesh sweet potato, and early adopter farmers are working under the close guidance of local agriculture and market experts.

- **Entrepreneurship:** This pathway helps Opportunity Youth access self-employment opportunities. This includes, for example, building centralised platforms with curated resources for aspiring entrepreneurs (e.g., Ramgarh Enterprise Facilitation Hubs), to identify self-employment opportunities in business value chains, and connecting youth to entrepreneurship training and support services.
- **Youth Journeys Pathways:** These are pathways to put in place a holistic support system for Opportunity Youth and help them through all the steps along their journey towards decent work.
  - **Youth Hubs:** setting up youth hubs centralising information and services for Opportunity Youth and building a referral network for other services in the community (e.g., health services, housing, sports, and cultural activities).
  - **Agency-Building:** pathways to help Opportunity Youth build agency – reinforcing their ability and confidence to make their own choices about their future. This includes, for example, developing a mentorship network (Ramgarh, Barwani), connecting Opportunity Youth with their peers, and empowering them to become active citizens in their community.

- 4. Use of Data & Technology:** While there are an increasing number of rigorous evaluations of youth employment programs that have been completed or are underway, evaluators and economists agree that more research is needed to unpack the specific elements of interventions that lead to positive outcomes, conducted over longer timeframes, and designed to better assess the cost-effectiveness of certain interventions as well as the potential displacement effects of others. A commitment to data tracking is critical to the effective implementation of multi-stakeholder collaboratives to ensure stated goals and outcomes are achieved, partners held accountable, to enrich learning across sites, and to achieve a better understanding of the return-on-investment of different interventions in different contexts. GOYN Collaboratives continuously collect data and evidence on the state of youth employment in the community, monitoring overall progress as well as the impact of specific interventions or campaigns led by the Collaborative. This constant data-gathering enables the Collaborative to make strategic decisions informed by hard facts and evidence. Opportunity Youth are involved in these data collection and analysis processes, giving them a sense of ownership over the data generated and the decisions made based on that data.

In Ramgarh, GOYN’s partner TRI uses the mForm Mobile App, which allows for all youth information to be entered on the platform, with full off-line capabilities. GOYN uploads the data collected to the Youth Centre MIS Youth database (privacy-compliant), which allows for entry and management of all youth data, available job vacancies, skilling opportunities, education opportunities, and links to entrepreneurship opportunities. Finally, GOYN has built a dashboard that shows youth journeys by name (privacy-compliant), village/ward of origin, background, counsellors, hub locations, and progress by education, skilling, entrepreneurship, and placement outcomes. These technology platforms connect to the network of Youth Hubs managed by GOYN in the community, where youth can access career guidance and counselling, entrepreneurship support, job, and skilling opportunities, etc.

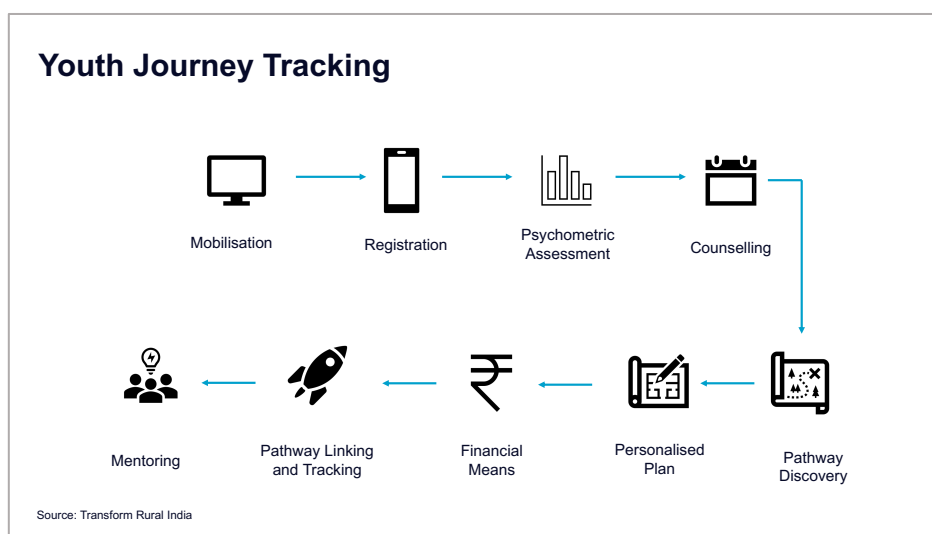


FIG 2.14: GOYN RAMGARH – DIGITAL YOUTH JOURNEY TRACKING

- 5. Impact Measurement:** With the place-based approach, progress and impact is measured in expected outcomes at three levels over time:
- At the youth level, tracking numbers of young people reached, numbers of young people receiving support to improve their employability, skills, mindset and agency, and numbers of young people reconnected to formal education, placed into jobs, or supported in their self-employment journey
  - At the ecosystem level, tracking progress in the functioning of the youth employment ecosystem
  - At the systemic level, tracking shifts in mindsets, practices, funding, and policies that influence the lives and economic opportunities of youth

Progress against these outcomes is measured using a mix of quantitative (e.g., number of youth connected to work or education opportunities, improvement in income, savings, and assets over time, the number of organisations in the district level Collaborative, etc.) and qualitative indicators (e.g., active involvement of youth in decision-making, new policies addressing youth need introduced, etc.).

- 6. Learning Across the Network of Communities:** A critical component of place based work is supporting and facilitating learning and sharing of best practices related to youth economic opportunity and well-being between network members and with the broader youth employment ecosystem.

As an illustrative example, the GOYN manages a set of vibrant Communities of Practice for its Anchor Partners, on themes as diverse as data and technology, measurement and evaluation, or structural justice and equity. In addition, GOYN has set up a Learning Lab, an online repository of resources including a dynamic suite of tools, methods, and training from communities across the network (including a comprehensive Toolkit including “how to” guides, tutorials, templates, and examples of best practices). This large repository of methodological resources supports the start-up of new communities and their evolution across each major component of the approach.

## **Chapter 3: Income Generation Pathways For Rural Youth**

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**Income Generation Pathways for Youth:** The two broad avenues of income generation - self-employment, and jobs - are further broken down and explored below - since challenges, barriers and support vary by segment and sub-segment, and even by geography, gender, and socio-economic background as described in the youth segmentation above.

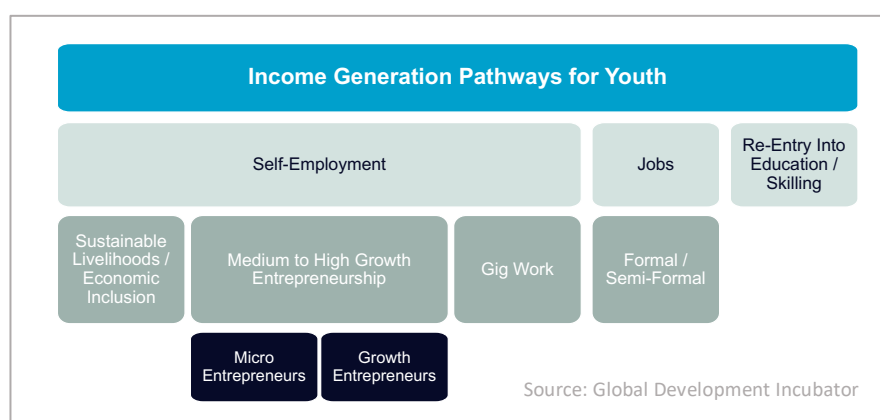


FIG 3.1: INCOME GENERATION PATHWAYS FOR YOUTH

## 1. Self-Employment

- A. Sustainable Livelihoods / Economic Inclusion:** This is the largest category of youth entrepreneurs and includes youth in livelihoods / nano businesses, and now increasingly gig work. Examples include youth engaged in agriculture and allied activities, and non-farm, single person self-employment such as a small retail stall or shop<sup>38</sup>. This segment consists mostly of those who are relegated to self-employment out of necessity rather than aspiration, with low productivity, single-person work with a focus on subsistence rather than growth potential. Livelihood entrepreneurs are typically unskilled, disconnected from formal financial systems and digital platforms and tools. Livelihood entrepreneurship does not lead to significant job creation or economic growth, but it is an essential source of income for the poor who have access to no other income generation pathways.<sup>39</sup> The primary focus area of work with this segment is economic inclusion, stability, and resilience.
- B. Medium to High Growth Entrepreneurship:** This category includes enterprises from micro and small businesses to break-out scale entrepreneurs. This also includes intermediaries that aggregate support for smallholders, provide coordinated buying of inputs, aggregation of output to off-takers and buyers, supplying value addition interventions and providing connection to markets both local and regional/national/international. The primary focus area of work with this segment is to help drive sustained and resilient business growth by enabling access to training, capital, and markets.
- i. Micro-entrepreneurs** manage small informal enterprises that employ less than ten workers, often family employees. These businesses are usually not formally registered and have limited growth and job creation potential (e.g., small farm, bakery). While most micro-entrepreneurs are self-employed out of necessity, a small minority may have the potential to grow their businesses with the right support.<sup>40</sup>
  - ii. Growth entrepreneurs** make up the minority of youth entrepreneurs in emerging economies. These are the youth that have an innovative, early-stage business with high growth ambitions. Growth entrepreneurs are entrepreneurs by choice, typically graduates with some amount of

<sup>38</sup> Michael and Susan Dell Foundation, Why we need to talk about nano entrepreneurs, 2021

<sup>39</sup> UNICEF, Youth entrepreneurship: Concepts and Evidence, 2019

<sup>40</sup> Jayachandran, Micro entrepreneurship in Developing Countries, 2020



wealth. These businesses have higher capital requirements and are higher risk investments but are also the most likely to generate significant income and create jobs. Most youth entrepreneurship programs are designed to serve this segment of youth entrepreneurs.

**C. Gig Work:** While the above is the more traditional segmentation of entrepreneurs, a new emerging and large segment of self-employed youth is gig workers – who need tailored attention and support. Gig work is defined as temporary work performed by an independent contractor on an informal or on-demand basis. Youth participation in the Indian gig economy has increased 8x between 2019 and 2022.<sup>41</sup> However, the majority of the youth that are opting for gig roles are concentrated in Tier-1 urban cities such as Mumbai, Delhi, Bengaluru, Chennai, Hyderabad, etc. Since city-based gig work offers a variety of employment opportunities and income generating opportunities, rural -urban migration has greatly increased in number in search of consistent sources of income. Hence, in order to officially enter the gig economy, rural youth need to be trained and upskilled on the latest technologies, be appropriately certified, and then be onboarded to gig economy platforms.

Emerging gig work in the Indian rural economy is centred around agriculture. Agri-tech companies are trying to transform the Indian agriculture sector through innovative platform approaches for marketplace of services, farming as a service, traceability, supply chain transparency, and sustainable farming. These platforms are catalysing the next generation of farmers and, in turn, are creating an agriculture-based gig economy work model for rural youth.

### Supports Needed By Youth Entrepreneurs Vary By Segment (GDI Framework)

Youth entrepreneurs fall into three categories →	A. Subsistence / nano entrepreneurs (majority)	B. Micro-entrepreneurs (significant minority)	C. Growth entrepreneurs (small minority)
<b>Business description</b>	<ul style="list-style-type: none"> <li>Self-employed / single person enterprise / gig worker</li> <li>Minimum capital requirements</li> <li>Low risk</li> <li>Low productivity</li> <li>No growth potential</li> </ul>	<ul style="list-style-type: none"> <li>Very small informal enterprise (1-5 workers)</li> <li>Higher capital requirements</li> <li>Higher risk</li> <li>Limited growth &amp; job creation potential</li> </ul>	<ul style="list-style-type: none"> <li>Early-stage business with high growth ambitions</li> <li>High capital requirements</li> <li>Very high risk</li> <li>High growth &amp; job creation potential</li> </ul>
<b>Typical youth profile</b>	<ul style="list-style-type: none"> <li>Unskilled</li> <li>"Necessity" entrepreneur</li> </ul>	<ul style="list-style-type: none"> <li>Minimal skills</li> <li>"Necessity" entrepreneur, incl. minority with potential to become growth entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Graduate</li> <li>"Choice" entrepreneur</li> </ul>
<b>Needs</b>	<ul style="list-style-type: none"> <li>Basic business plan &amp; financial literacy training</li> <li>Small initial investment</li> </ul>	<ul style="list-style-type: none"> <li>Business management skills</li> <li>Initial capital investment</li> <li>Working capital</li> </ul>	<ul style="list-style-type: none"> <li>Incubation/acceleration services</li> <li>Large initial capital investment</li> <li>Working capital</li> </ul>
<b>Available financing</b>	<ul style="list-style-type: none"> <li>Grants (e.g. graduation approach)</li> <li>Returnable grants</li> <li>Savings groups</li> <li>Cash transfers</li> <li>Micro-franchising</li> </ul>	<ul style="list-style-type: none"> <li>Grants (e.g. seed funding)</li> <li>Returnable grants</li> <li>Crowdfunding</li> <li>Microfinance</li> <li>Fintech loans</li> </ul>	<ul style="list-style-type: none"> <li>Grants (e.g. business plan competition)</li> <li>Impact investment (VC, PE)</li> <li>Commercial investment (VC, PE, banks)</li> </ul>

Source: Global Development Incubator

*Most programs and financing products focus on this market segment*

FIG 3.2: CUSTOMISED SUPPORTS BY ENTREPRENEUR SEGMENT

## 2. Jobs

**A. Formal and Semi-Formal Sector:** This category includes a small fraction of opportunities for Opportunity Youth. These opportunities are most coveted by Opportunity Youth, but also the most difficult to secure and retain. Aligning supply (education and training) to real demand from employers, companies, and governments (public and private), providing placement and critically post-placement support to young people are key success factors. An emerging area here is to incentivise training and skilling organisations to build deep relationships with hiring organisations and incentives providers to focus on placement, retention and dignified (safe conditions, above minimum wage, growth mindset) labour.

<sup>41</sup> TASKMO Gig Economy Report 2022

3. **Another Noteworthy Intervention Area is the Re-entry of Youth into High Quality Training / Education:** Some youth are most aligned to re-entry into quality education and after counselling and engagement can be supported to return to school or enter other valuable education options that are aligned with their personal aspirations and emerging demand.

**No Single Intervention is Sufficient in a Silo - A Suite of Solutions is Needed for Saturated and Local Labour Absorption:** A combination of interventions across the employment value chain is needed to address the youth unemployment challenge and effectively harness youth energy and innovation while creating gainful productive economic engagement.

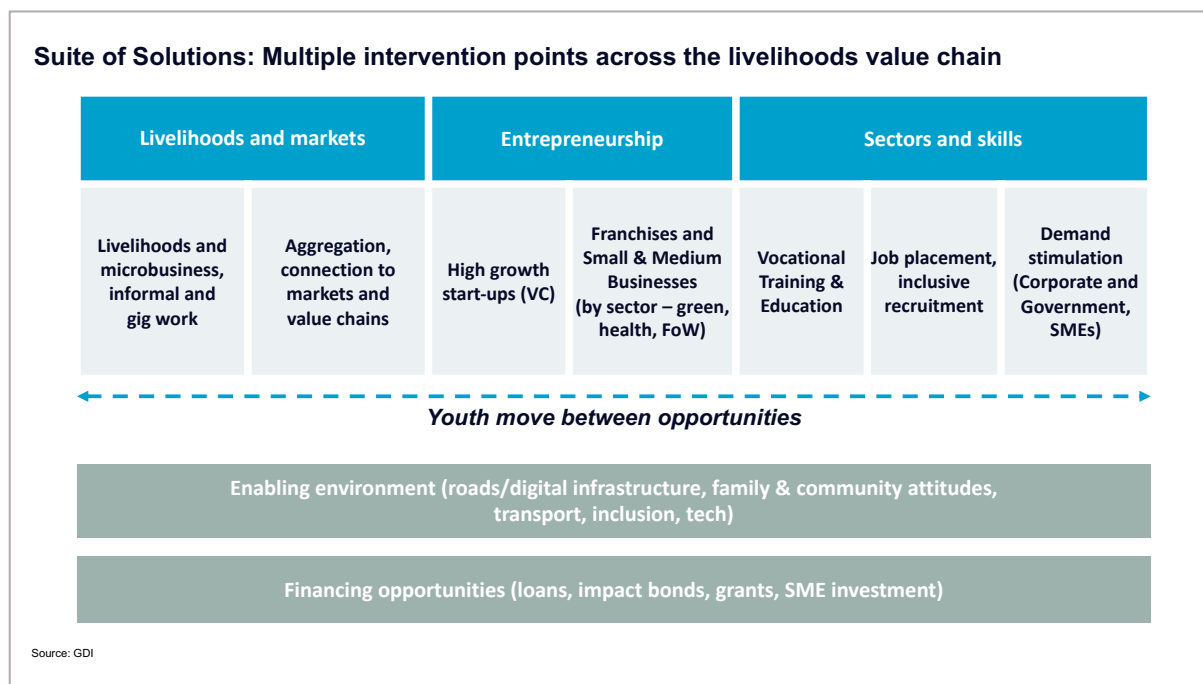


FIG 3.3: SUITE OF SOLUTIONS FOR SATURATED AND LOCAL LABOUR ABSORPTION

The following section of this chapter dives deeper into common and specific **challenges and barriers**, **promising solutions**, and **recommended shifts** for each of the above employment pathways. A summary of promising research, pilots and initiatives that have the potential to transform systems and create sustainable work for rural youth across the employment value chain of employability, entrepreneurship, and jobs is set forth, with the objective to build partnerships across the board in order to scale what works, address gaps, build robust policy and program design, and action its successful implementation.

## I. SELF-EMPLOYMENT AND ENTREPRENEURSHIP

**Challenges and Barriers:** Rural India is home to 324.9 lakh MSMEs (52.3% of total MSMEs in the country)<sup>42</sup>. These are the primary drivers of distributed job and wealth creation, and key drivers of the economy of the country. Micro-enterprises specifically, form the largest category (67 per cent) of businesses in rural areas.

In India, the overall credit gap in the MSME sector is INR 25 trillion while the overall debt demand by MSMEs in India is INR 69.3 trillion.<sup>43</sup> Along with this financing gap is a need of training, capacity building, improvement of business, supply chain and financial management, ongoing mentorship, and access to markets. A core systems-

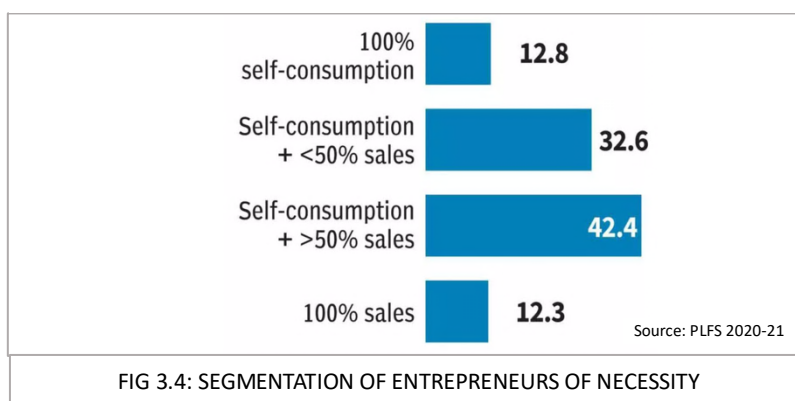
<sup>42</sup> India Brand Equity Foundation – MSME Sector Blog

<sup>43</sup> Report: MSME sector Outlook by Blinc Invest

change effort here is to work with governments to increase access to smart subsidies, intermediaries to help small holder farmers aggregate, financial inclusion, and literacy training for micro and small merchants and restructuring micro-financing organisations and banks to be able to serve micro and small merchants effectively<sup>44</sup>. Critical challenges and barriers are outlined below:

- 1. Lack of District Level Data:** Currently, there is no consolidated entrepreneur data at a district level - including entrepreneur numbers, segments, trades, revenue, hours worked, etc. This is a critical barrier to mapping and providing tailored support. Young entrepreneurs have no access to data on market demand, trends, forecasts etc. Additionally, there is little to no formal training around quality and finishing, inventory management, storing, packaging, etc. Young entrepreneurs need support to optimise efficiency of informal networks of coordinated transport and sales.
- 2. Most Entrepreneurship Programs Are Designed For Growth Oriented Start-Ups, And Do Not Cater To Rural Youth With Subsistence and Micro Self-Employment and Enterprises:** PLFS estimates show that the share of self-employed workers in rural manufacturing rose from 47.02 per cent in 2018-19 to 52.6 per cent in 2020-21. However, workers are mainly (43.78 per cent) own-account workers who generally operate in small-sized, family-based own-account units with low investment and technical know-how.

### Entrepreneurs of Necessity: Production and Consumption of Produce by Self Employed Persons and Entrepreneurs



Rural entrepreneurship still remains as a source of survival/livelihood rather providing jobs. The majority of self-employed are own account workers rather than employers. PLFS 2020-21 also reveals that only 12 per cent of self-employed sell their entire produce/product. Around 13 per cent self-employed use the entire produce from the activity for their own consumption.

Not all entrepreneurs are the same - youth entrepreneur segments and criteria are not clearly defined or recognised at a national level, leading to a lack of tailored supports for each segment. Most entrepreneurship programs target youth in general, without considering the significant differences that exist between the youth aspiring for self-employment. This can lead to misalignment between the type of capital and support services offered by such programs, and what is actually required by the youth. As a result, growth oriented start-ups and enterprises are the default segment that most programs, trainings, accelerators, and investments are designed for, rather than the nano and micro youth-led ventures that are a result of necessity. Not only are these high-growth start-ups a small fraction of all youth-led ventures, but they also are not always connected to market demand - the entrepreneurship program then ends up supporting the creation of businesses that are doomed to fail. For example, there are only so many bakeries, beauty parlours, and tailoring shops a district can support until saturation of demand.

<sup>44</sup> Gugelev, *Creating Jobs and Sustainable Livelihoods in a Changing World*

As the number of job opportunities are unable to keep up with the number of youth entering the working age population, entrepreneurship is increasingly seen as an answer to the lack of formal jobs in developing economies. While entrepreneurship is indisputably a critical employment pathway, youth find it hard to start businesses for all the challenges listed above and there are high rates of failure and a constant struggle to make ends meet.

Additionally, most entrepreneurship training programs are structured as one-time training programs with some extended support (e.g. small seed finance) offered at the end of the program, rather than ongoing pre and post business set up support for an extended period of time.

It is imperative for foundations, funds, and intervention providers funding entrepreneurship programs to create end-end, ongoing, multi-year support, and measure final program success in terms of income, savings and asset building over an extended three-five year period, rather than in terms of number of businesses started, or number of entrepreneurs supported.

Business skills training and upskilling, and ongoing handholding support for eighteen to twenty-four months for new and existing entrepreneurs running various types of small and micro enterprises, especially rural youth, will give millions of ventures the knowledge to apply the right strategies for scaling up.

- 3. Rural Youth Entrepreneurs Lack Access To Outside Markets and Market Data And Low Local Purchasing Power Is An Added Barrier:** The lack of local activity in rural areas is a great untapped opportunity for youth entrepreneurs to fill the gap and create local supply for local and exported demand. However, the purchasing power locally is very low, and markets are very limited. Local micro entrepreneurs can sell more to local consumers only if overall economic activity increases. As micro-entrepreneurs' businesses expand, access to regional, state, and broader markets becomes critical. Ultimately, macroeconomic growth and management are necessary preconditions to improve outcomes for especially for low income - low access populations.

Additionally, there is no demand data accessible to youth - who select their business idea based on decisions of friends and older siblings, and from unverified social media sources<sup>45,46</sup>. One direct and critical consequence of this is the replication of the same businesses by young entrepreneurs. It is common to see youth take up the same types of businesses, often dictated by gender and other socio-economic norms. For example, most women tend to take up beauty or tailoring courses which leads to overcrowding in certain sectors with not enough work for most, while gaps in other sectors often force the few local employers that do exist to hire migratory labour.

- 4. Rural Entrepreneurs Struggle To Access Finance More Than Their Urban Counterparts:** In India, the 2014 World Bank Enterprise Survey, which analysed data from 9000+ small, medium, and large businesses, found that access to finance was one of the main obstacles faced by firms. Among these, rural entrepreneurs fare significantly worse. For example, although 70 per cent of our workforce resides in rural areas, the share of rural credit in the overall credit from all the recognised channels hovers only at around 8-9 per cent<sup>47</sup>. Financing gaps for all entrepreneurs and across categories, though varied in nature, are acute and significant in most studies conducted, with rural entrepreneurs facing additional barriers. For subsistence and low growth businesses, starting even the most basic income-generating activity usually requires some initial capital to invest in business assets (e.g., tools, vehicle) and cover operating costs (e.g., salary, raw materials) until the activity starts generating a profit. However, many young entrepreneurs lack the required collateral, track record, positive cash flow and profitability to obtain traditional bank loans. With the lack of adequate and

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<sup>45</sup> World Economic Forum and Observer Research Foundation – Young India And Work – A Survey Of Youth Aspirations

<sup>46</sup> Times of India, Blog - Youth Day- How have the aspirations of our youth changed?

<sup>47</sup> TASKMO Gig Economy Report 2022

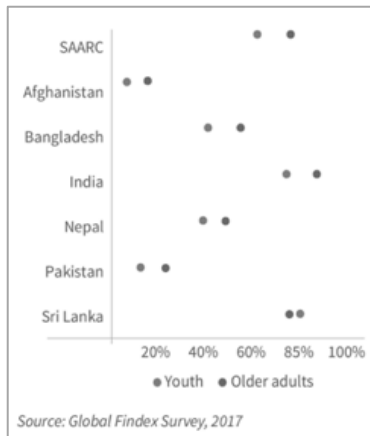


FIG 3.5: FINANCIAL ACCOUNT OWNERSHIP AMONG YOUTH AND OLDER ADULTS (%), 2017

sustained supports, the majority of new businesses fail and are unable to recover initial investments. As a result, young people are categorised as high risk borrowers, and banks often do not actively seek to serve such businesses or develop loan products tailored to them. Small transaction sizes, unfamiliarity, high cost-to-serve, and perceptions on risk and return compared to alternative options are further deterrents to serving young entrepreneurs. Where bank financing is available, it is often on unattractive, with inflexible terms and high interest rates. This is especially acute in any kind of investment or capital expenditure as well as working capital for inventory. Limited to no access to mainstream credit and the lack of diverse financing means that young people are often forced towards exploitative credit. Based on all the above factors, young entrepreneurs are risk averse based on experience of self / family / peers / community.

### Entrepreneur Income is Directly Correlated with Access to Finance and Skilling

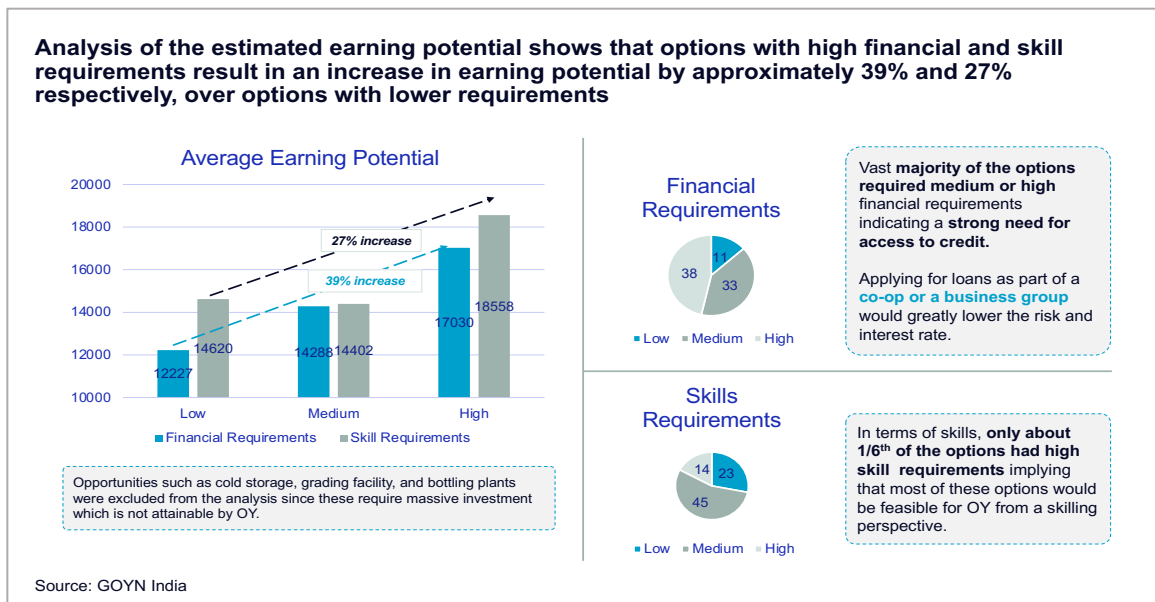


FIG 3.6: ENTREPRENEURSHIP: ACCESS TO FINANCE AND CORRELATION TO INCOME

Higher growth entrepreneurs typically have a much easier time obtaining credit and support from venture capital firms, but still have a difficult time getting significantly more capital due to lack of exits and lack of local business ecosystems. Nevertheless, many of these organisations evolve to access local traditional financial institutional capital or use structured exits to provide a return to their investors while they continue to grow. The last group of faster growth enterprises have been well served by impact investors, especially in the asset light type sectors of FinTech.

In India, the overall credit gap in the MSME sector is INR 25 trillion while the overall debt demand by MSMEs in India is INR 69.3 trillion.<sup>48</sup>

<sup>48</sup> Report: MSME sector Outlook by Blinc Invest

Credit products only serve a small section of the MSMEs, excluding over 60 million of them<sup>49</sup>. Only 21 per cent of businesses in the country have a bank loan or line of credit (v. 33 per cent globally), with 85 per cent of loans requiring a collateral (v. 75 per cent globally). 13 per cent of firms had a recently rejected loan application (v. 10 per cent globally). Only 18 per cent of firms rely on banks to finance investment and just over 36 per cent use banks to finance working capital.<sup>50</sup> Additionally, although India fares better than all countries in the sub-continent on bank account ownership, there remains a significant ‘youth gap’ in account ownership between older adults and young adults<sup>51</sup>. This creates a further barrier in access to credit.

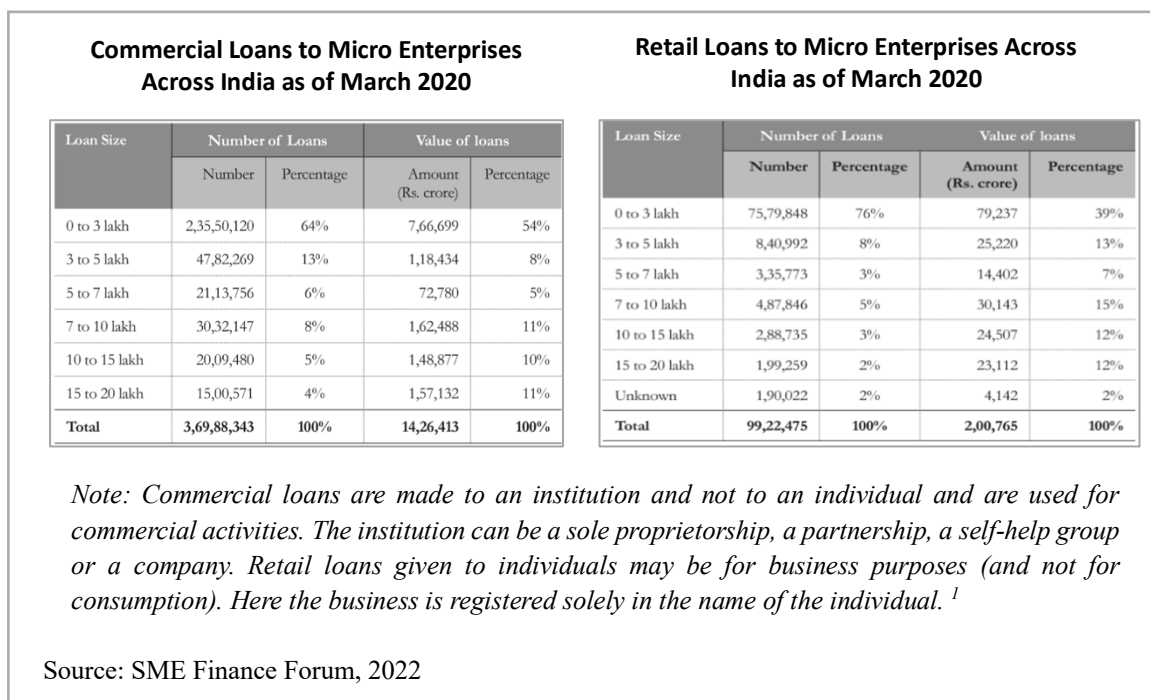


FIG 3.7: SME FINANCING, INDIA

**Rural Access To and Effective Use of Smartphones, Network Connectivity, and Data:** According to a recent TRAI report, rural India has a 33 per cent internet penetration rate, in contrast to 99 per cent in urban India.<sup>52</sup> This disparity is majorly caused by two factors - a lack of knowledge and lack of infrastructure - this limits access to markets, credit, training and digital business management tools and applications.

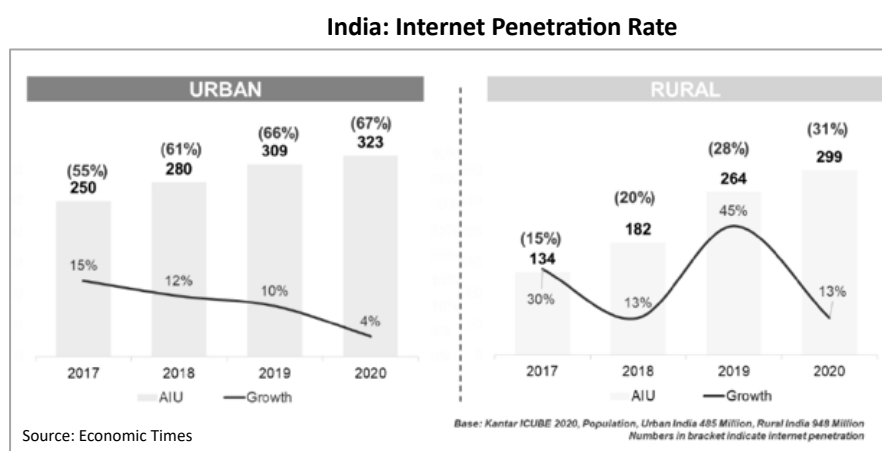


FIG 3.8: INTERNET PENETRATION ACROSS URBAN AND RURAL INDIA

<sup>49</sup> SME Finance Forum, 2022

<sup>50</sup> World Bank Enterprise Survey 2014

<sup>51</sup> Youth Entrepreneurship And Financial Inclusion: Outlook For ASEAN And SAARC; UNCDF, UNDP & Youth Co:Lab

<sup>52</sup> Telecom Regulatory Authority of India



However, as internet and smartphone penetration increase rapidly across India, the challenge changes from access to safe and effective use of internet and digital tools. Training around effective use of various digital business management tools and services, safe digital transactions, safeguarding financial information, safe and effective use of social media for market access etc. is the need of the hour.

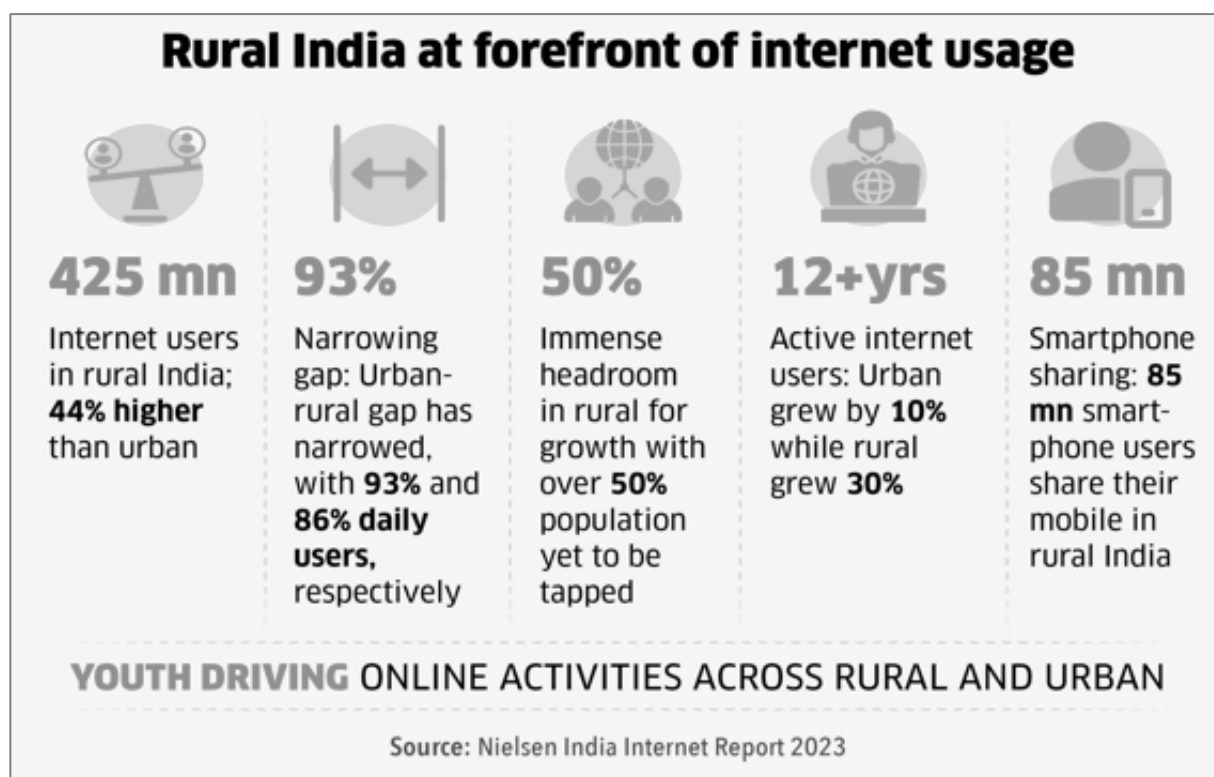


FIG 3.9:TRENDS: INTERNET USE IN RURAL INDIA

The **ultra-poor** are significantly further removed from access to assets, skills, finance, and markets than the average unemployed youth. For extreme poor, national social protection systems (in-kind and cash transfer programs, social insurance, labour policies) reduce vulnerability and build resilience, but these are not enough to escape the cycle of poverty and gain upward generational mobility. Income generation and asset building are essential pathways out of poverty and into sustained upward mobility. Specifically, the ultra-poor segment needs a big push to escape the classic poverty trap. While as many as three quarters of extreme poor can and will work, they lack productive assets, adequate skills, and market access, and must resort to whatever work they can find to support the household.

**SMEs are a key pathway for employment generation, wealth creation, and poverty alleviation especially in rural regions, and they face specific challenges due to their increased size of operations in addition to the above described challenges:**

- **Too big and complex for micro finance institutions:** SME's have typically outgrown microfinancing, typically requiring growth capital over MFI lending limits. Furthermore, MFIs do not have the product capabilities nor understanding of the complexity of these businesses to provide adequate support for growth. Products are often at a high price and for more short-term financial support, whereas growing SMEs require longer-term finance<sup>53</sup>.

<sup>53</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World - In interviews and discussions with Dutch Good Growth Fund

- **Challenging economics:** For investors focused on this segment, it is a challenge to make their economics “work,” due to the unfavourable ratio of transaction costs vs. ticket sizes and high failure rates, acknowledging that views differ on what “attractive returns” to investors are<sup>54</sup>.
- **Lack of Development Finance Institution support:** Development Finance Institutions (DFI) have historically been major funders of SME funds, but some seem to be moving away from SME fund investments, as many funds have not been able to meet the return expectations of DFIs. Reasons for lack of DFI interest also include not being a pure private equity or debt fund/vehicle, long tenor for class interests and further, not meeting investment criteria. This trend may be exacerbated for India, which is already considered a “mature” market by some DFIs, such as British International Investment, leading to additional restrictions on their investing activities in the country<sup>55</sup>.
- **Regulatory Complexity and Competence:** SMEs are disproportionately affected by financial and regulatory compliances. For example, under the current Goods and Services Tax structure, manufacturing companies pay 18 per cent GST on services they avail, but charge only 5 per cent GST on the products they sell, with no provision to claim input tax credits, placing further financial burden on companies with small working capital and tight cashflows. Our Ease of Doing Business and Make in India agendas are tailored platforms to address challenges such as these. Additionally, complex and evolving regulatory compliances have resulted in small businesses paying high penalties, fees, and interest for non-compliance.

Non-compliance due to lack of technical competence in the payment of the Goods and Services Tax for example, has led to losses for small businesses who cannot afford the right technical assistance to adhere to these regulations. As India continues on its journey of development and economic growth, these regulations are necessary and beneficial – however, businesses need expertise to navigate these complex structures beyond the basic technical competence available on hand.

Capacity building of current resources is key, however, rates of return on lending do not cover the costs of technical assistance, and these companies often have limited ability to pay for such services, meaning it is hard to cover the costs of technical assistance without external subsidy<sup>56</sup>. Over and above this, several other regulatory hurdles exist. Oftentimes, traditional lenders and assistance providers ask for onerous KYC (know your customer) requirements as per regulation, and informal or small businesses that do not have the capacity to fill out paperwork cannot meet these requirements.

There are also often challenges with lack of rights/titling/asset protection that have been most acute amongst youth and women. The biggest gaps for the next SME segment are cited to be poor liquidity/exit options, high transaction costs, and limited capacity of the entrepreneurs and investors.<sup>57</sup>

**Noteworthy And Emerging Solutions:**<sup>58</sup> Much success has been gained in livelihoods access through several programs in India and globally - noteworthy for their breakthrough innovative approach. However, youth still remain notoriously difficult to reach at scale in mainstream economic inclusion and nano-unicorn programs which focus on all rural livelihood providers, not specifically youth. Since youth challenges and aspirations differ from those of older workers, and even among varying youth segments, continuous and dedicated focus on the youth segment is critical to develop youth appropriate solutions at scale.

Additionally, each of the entrepreneur segments outlined above differ in size and scale across the country, but one clear distinction is who becomes an entrepreneur out of necessity vs. seeking opportunity<sup>59</sup>. Given population shifts and the changing nature of work, there will certainly be more necessity entrepreneurs in environments where

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<sup>54</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World - In interviews and discussions with Dutch Good Growth Fund

<sup>55</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World - In interviews and discussions with Dutch Good Growth Fund

<sup>56</sup> Financial Express, 2022

<sup>57</sup> GDI and Omidyar Network study

<sup>58</sup> Notable examples, not exhaustive

<sup>59</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World



there are limited quality jobs, policy constraints to formal work, and significant resource constraints, such as in rural areas. However, with the right tools, training, and access to credit, necessity entrepreneurs can become productively self-employed or even growth entrepreneurs.

**Example: Opportunity Mapping with Earning Potential in Ramgarh, Jharkhand**

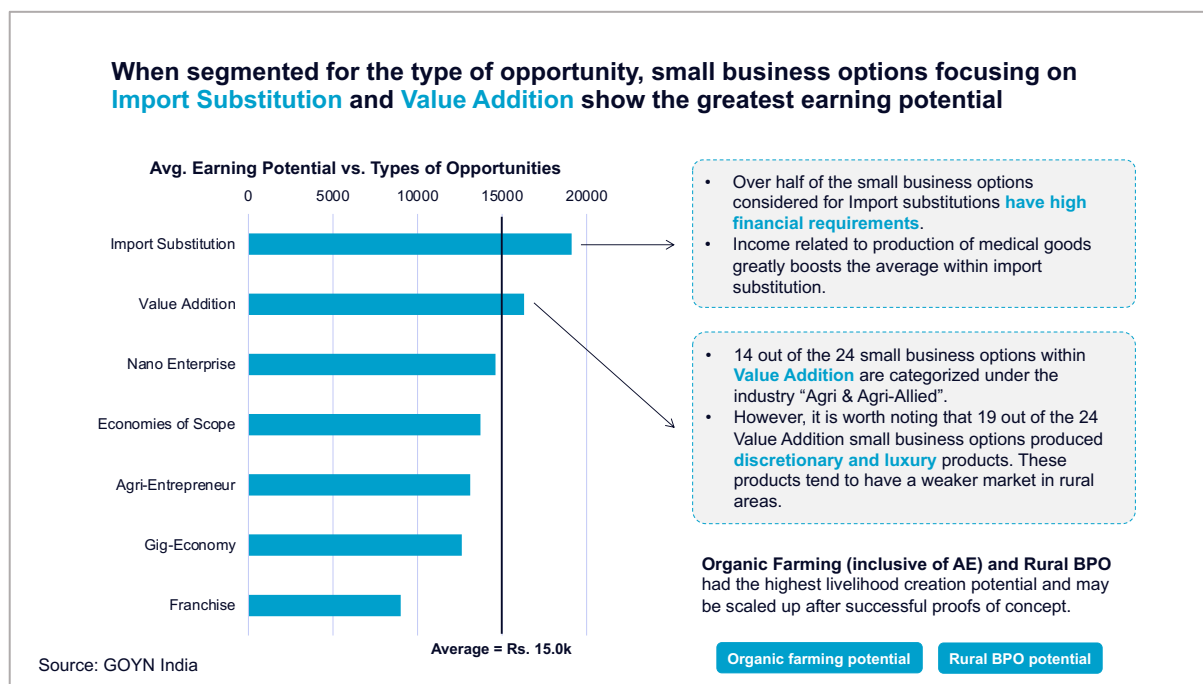


FIG 3.10: TYPES OF INCOME GENERATION OPPORTUNITIES AT THE DISTRICT AND EARNING POTENTIAL

There are a variety of promising solutions for this next tier of job creation through supporting micro, small, and growing businesses. Some of these programs are briefly described below:

- 1. Women’s Self Help Groups:** Arguably the most notable and proven livelihoods programming in India is the DAY- National Rural Livelihoods Mission program of the Ministry of Rural Development which in partnership with hundreds of large and small grassroots, hyper-local organisations has created a revolutionary and systemic shift in the economic inclusion and empowerment of women across the country through the establishment of Self-Help Groups (SHGs). SHGs are self-governed groups of 10-20 women who come together to mobilise financial capital through individual, periodic monetary contributions, and use this collective capital for peer-peer lending or as collateral to access mainstream finance.

Besides providing micro-loans to their members to start or grow their businesses, the most effective SHGs also help group members access savings, financial literacy and entrepreneurship training. There are over 7 million women’s SHGs in India, supported by the DAY-NRLM. Borrowing or Self Help Groups are a decades-old innovation of borrowing at the community, rather than the individual level, and were pioneered by Mohammed Yunus in Bangladesh. One of the most long-standing and effective livelihoods programs built on the SHG platform in India is run by PRADAN, focused on livelihood development, saturating villages with opportunities, and training of group community representatives.

- 2. The Graduation Approach<sup>60</sup>:** The approach of “Graduating the Extreme Poor into Sustainable Livelihoods” has risen as an effective means of addressing extreme poverty, enabling poor and vulnerable households to develop sustainable livelihoods and access financial systems, and psychosocial benefits. Based on a model developed in 2002 by BRAC in Bangladesh, graduation is now used in nearly 50 countries. The Graduation

<sup>60</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World

Approach consists of a carefully coordinated, multi- sectoral, “big push” intervention comprising of social assistance to ensure basic consumption; skills training; seed capital or access to employment opportunities to jump-start an economic activity; financial education and access to saving instruments; and coaching or mentoring to build confidence and reinforce skills. The interventions are time bound (generally 18–36 months) to preclude long term dependence. Continued linkages to market opportunities or the labour market, as well as effective access to social protection systems, are needed to maintain a sustained upward trajectory. The Graduation Approach has been tested in varied contexts over the last 15 years, yielding rigorous evidence of impact on extreme poor households, setting them on an upward pathway and mitigating risks of backsliding.

The impacts have resulted in sustained income and asset and consumption gains as evidenced by multiple RCTs in a variety of contexts and have continued seven years after the end of the intervention<sup>61</sup>. In India, this approach has gained significant ground in Bihar with the support of JeeVika and in Jharkhand with the support of the JSLPS and JSTCDC (The Tribal Department of the Government of Jharkhand).

### Connection to Livelihoods via a Case Management Approach

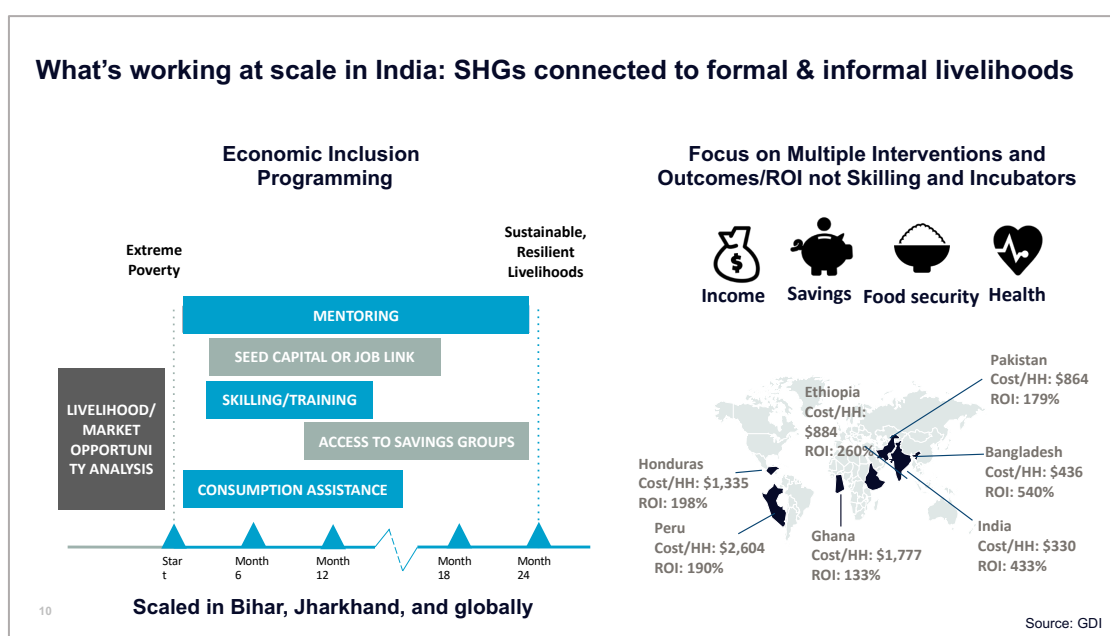


FIG 3.11: A CASE MANAGEMENT APPROACH FOR CONNECTION TO SUSTAINABLE, RESILIENT LIVELIHOODS

- The Lakhpati Kisan (Millionaire Farmer) Initiative:** Launched in 2015, the objective of the ‘Mission 2020 – Lakhpati Kisan: Smart Villages’ program was to bring about irreversible change in the central Indian tribal belt through economic empowerment and improving the quality of life of tribal communities. A Lakhpati Kisan is one who earns over Rs100,000 per annum through a range of activities including in agriculture, livestock, non-timber forest produce, and water resource development.

The initiative works with tribal households to create Lakhpati Kisan tribal families through accelerated income growth. Community-based institutions are strengthened through capacity building and leadership-building strategies. Technology-led changes, including sustainable energy solutions such as solar pumps and solar panels, development of the Lakhpati Kisan App and SMC App, use of GIS mapping for cultivated areas, introduction of IT in education, piloting app-based data entry, etc. have been introduced. Multi-sector

<sup>61</sup> Microfinance Gateway (data was collected on current & new graduation programs implemented globally and was either self-reported by the implementing partner or was collected by interviews with CGAP staff)

interventions such as education, water, sanitation and hygiene, and nutrition, have been layered on top of the ongoing livelihood activities thereby holistically improving quality of life.

Market-linked production clusters have been created for focussed value chain development. Rural tribal entrepreneurs have been trained in aspects such as drip irrigation with mulching for open field precision farming, commercial soil-less nurseries, farm mechanisation, brood lac provider, livestock feed management, etc. Irrigation structures have been created, thereby bringing previously unirrigated acres under irrigation and ensuring year-round agricultural water for beneficiary households.

Over the next 10 years, the vision is to reach one million households and develop 100 blocks as drivers of regional growth. The initiative also hopes to:

- Make 101,000 tribal households 'Lakhpati Kisans', along with layering of quality of life enhancement initiatives at household level.
- Encourage apex community-based institutions to take ownership of the entire program, including planning, implementation, reporting, monitoring, etc.
- Upscale the Lakhpati Kisan model towards state saturation, to be achieved through partnerships with other stakeholders, such as the government, community, donors and other organisations.
- Influence design and development of large-scale programs in the development sector and government initiatives through proactive engagement, based on learnings from the successes of the 'Lakhpati Kisan' model.

The Lakhpati Kisan Initiative was launched by The Central India Initiative, one of the flagship initiatives of Tata Trusts and has already engaged with 100,000 households in 45 districts across four states in the central Indian belt – Jharkhand, Odisha, Maharashtra, and Gujarat.

4. **Nano Unicorn**<sup>62</sup>: This program is being implemented in collaboration with the Odisha Skill Development Authority by Tata Strive, a skill development initiative operating under the aegis of the Tata Trusts. There is a dearth of startup ecosystems of the kind that thrive in some Indian cities and precious few structured training programs for youth, particularly for those outside the mainstream education system. Hence, the effort of this program is to foster entrepreneurship and community-based enterprises, while enabling jobs alongside. Starting with ITIs in Odisha to create a mechanism to spot potential entrepreneurs and nurture them, the program expanded its reach to more ITIs and even polytechnics.

Nano Unicorn is a program where skilled youths are nurtured to become small entrepreneurs and future employers. Youth with entrepreneurship potential are identified, and structured training programs are devised for these youth. The program aims to encourage entrepreneurship at the grass-roots level by providing mentoring, training and capital funding to skilled youth who could be prospective entrepreneurs.

The first component of this program is one-week residential training on entrepreneurship development. The training module in the program concentrates on building a sustainable enterprise. There are capsules on the basics of business, on financial and legal matters and, not least, a dash of life skills education. The big objective of Nano Unicorn is fostering entrepreneurship - and through that, additional jobs - for the less well-off in rural India.

At the end of the training, funding up to INR 1,00,000 is transferred directly to the account of selected candidates, without any collateral or guarantee. No interest is charged on the capital for the first year. Subsequently, a 5 per cent interest is charged on the initial capital. The amount of INR 1,00,000 is repayable by the third year. There is a quarterly review of each entrepreneur by the team of Odisha Skill Development

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<sup>62</sup> Nano Unicorn, Tata Trusts

Authority. The loan amounts are modest but there's no understating their importance in an environment where institutional financial support is difficult to access. Banks do not provide loans easily, and small and micro entrepreneurs face huge problems in getting initial credit. It's different once an entrepreneur has a business up and running, and that's what the program enables.<sup>63</sup>

Besides the training and the loans, the program provides applicants with references and connections that can cement and expand their business. This kind of entrepreneurial network is commonly found in urban centres but almost completely absent in rural regions. Nano Unicorn is an effort to help correct the imbalance. Most importantly, the program handholds and mentors these entrepreneurs for an extended period. Once they are fairly well established, they come back to the program and guide new entrants.”

Candidates are selected based on their business proposals - business plans should aim to create employment for at least 2-3 others within 2 years. Applicants must be above 18 (and preferably under 35) and they should have qualified from a government ITI or skill development institute. Weightage is given to people with business ideas that can lead to employment for more youth. A variety of businesses have found space under the initiative's canopy, from beauty parlours and clothing outlets to grocery shops and even a unit that makes hand sanitisers. The training programme goes beyond the usual to assist beneficiaries with legal and regulatory procedures.

Tata Strive see massive potential to scale up and replicate this program across rural India.

Similar in concept to the Nano Unicorn initiative in Odisha but dissimilar in its details, the Tata Strive entrepreneurship program in and around Nashik in Maharashtra banks on the network spawned by Sahyadri Farms, a farmer-centric company that is prominent in the region, to help small and micro businesses get off the ground and establish themselves. Launched in early 2020, this effort to seed and support rural entrepreneurship in Maharashtra has a 10-day training module that runs along the lines of the Odisha program.

The loans disbursed here are of a lesser order, the pool from which applicants are drawn is wider and the ideas that get crystallised into business ventures are centred on agriculture and its requirements. Many of the businesses are supported by the value chain of Sahyadri Farms and the inputs it seeks - agricultural machinery, seed nurseries, poultry and goat farming, facilities for preserving vegetables and fruits, etc. Such an ecosystem provides the necessary support and encouragement to these young entrepreneurs. The demographic is also different in an arrangement where Sahyadri provides the infrastructure to run the program and market linkages as well, with funding support coming from Tata Capital.

- 5. Hub and Spoke Approach for End-End Support:** Despite the advancement and success of several individual programs, there is still much work to be done to support youth and take a more holistic approach that is often needed to improve livelihoods especially in focus geographies such as aspirational districts. For example, evidence from the youth livelihoods field suggests that low-income and vulnerable youth typically require a more complete, multisectoral intervention package, including, for example, coaching for confidence building and soft skills training, in order to achieve sustainable results<sup>64</sup>. Hence, Transforming Rural India Foundation in partnership with The Global Opportunity Youth Network and the Standard Chartered Bank Foundation have set up Youth 'Enterprise Facilitation' Hubs to provide young people with end-end single window access to all supports they need to set up and run their own businesses. Youth Hubs are locally accessible one-stop shop for potential and existing entrepreneurs to be connected to the various components of the Entrepreneurship Ecosystem. Hubs provide young people with end-end services as shown below:

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<sup>63</sup> Ameya Vanjare, Tata Strive

<sup>64</sup> Gugelev, Creating Jobs and Sustainable Livelihoods in a Changing World

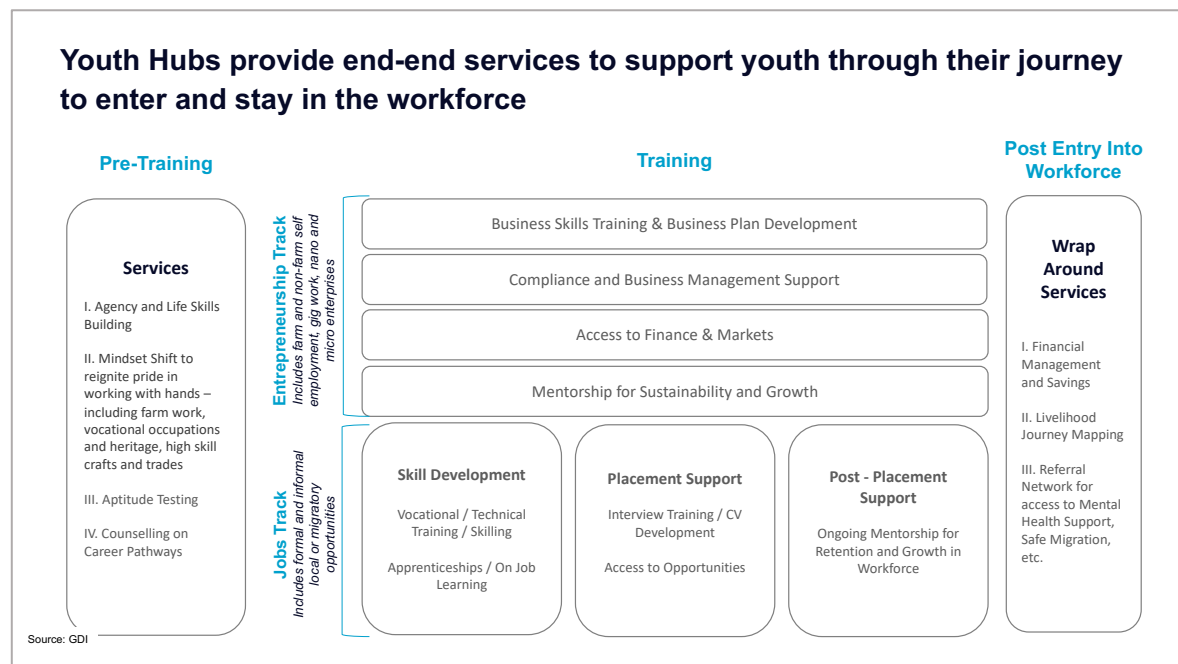


FIG 3.12: YOUTH HUBS SUPPORT YOUTH FROM ENTRY TO RETENTION IN THE WORKFORCE

Youth Hubs are also equipped with resources such as:

- Directory of last mile distributor products / services for self-employment-e.g. FMCG product distributors, telecom service providers, insurance agents, etc.
- Directory of curated financial services providers for entrepreneurs, self-employed youth
- Business Idea Compendium having bankable business plans to help local entrepreneurs in identifying and quickly launching their business
- Mentor Bank with sector experts to mentor entrepreneurs through the pre and post business set-up journey

To complement the Hubs, youth are mobilised via ‘Spokes’ - community mobilisers called Sarathis. Sarathis are an extension of the Youth Hubs and work at a field level and support entrepreneurs through their journeys. They provide counselling at a family level, as well as provide technical guidance on various aspects of running a successful business including idea discovery, business planning, set-up, regulatory compliances, etc. They build capacity of youth on an ongoing basis through interaction on a weekly basis, and will also facilitate linkages with local service providers including for capital, as well as with government schemes.

The youth engagement approach at the youth hubs includes the following three key components:

- **Engaging** youth through the following with tailored supports for women:
  - Mobilising youth through several community activities
  - Conducting an Entrepreneurship Suitability Assessment for youth
  - Providing specialised counselling and guidance to youth based on the results of the Entrepreneurship Suitability Assessment
- **Empowering** youth through training and capacity building on the following with tailored supports for women
  - Agency building for aspiration and motivation building

- End-end entrepreneurship journey supports (business discovery, detailed business planning, sustained mentorship support, statutory compliance support, business financing support, and financial linkages)
- Providing tailor made incubation support services for women to ensure women get support to start enterprises beyond gender stereotype and get supported by gender sensitive mentor to sustain the enterprises
- **Sustaining** local entrepreneurship through
  - Setting up a Collaborative Infrastructure that continues to influence local youth employment even after the program ends
  - Sustainably linking entrepreneurs to diversified markets at a local, state and national level
  - Establishing and connecting youth with peer support groups that strengthen over time as entrepreneurs gain working experience

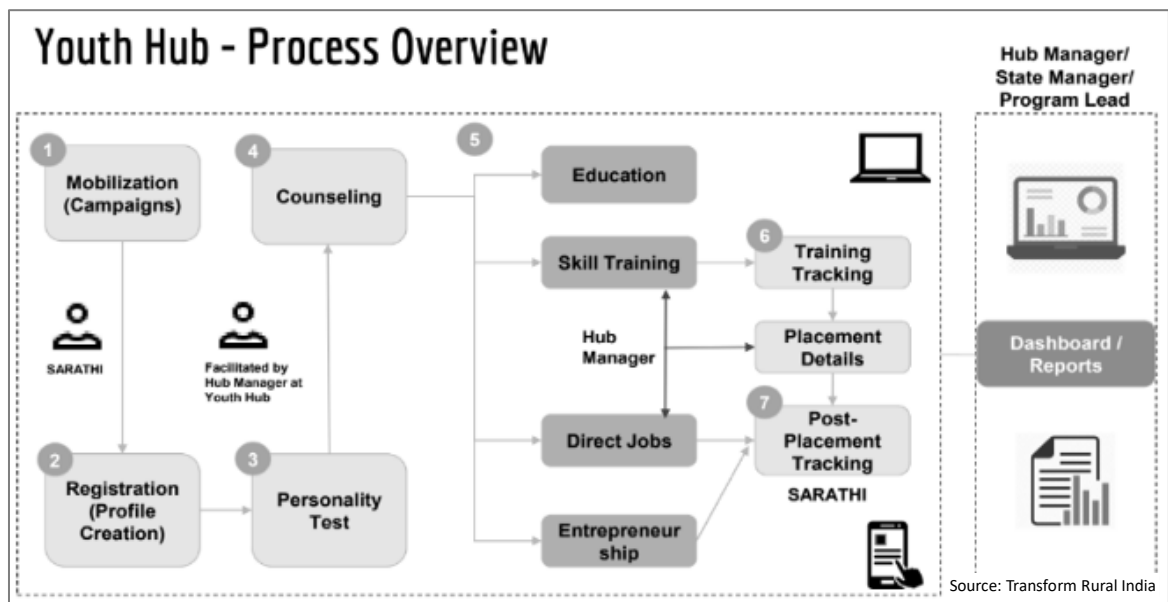


FIG 3.12: YOUTH HUBS PROCESS OVERVIEW

**It is critical to note that youth are referred to relevant services offered by various ecosystem partners – the Hubs are points where youth can avail some services directly (where there are gaps in current offerings) and be referred to other services – all under one roof.**

A key aim of the intervention is to spot and incubate enterprises across the rural enterprise spectrum thereby providing missing goods and services in the area. The first critical challenge entrepreneurs face is around business idea discovery, and market mapping is critical to support youth in this business idea discovery phase. Hence, in the latest implementation of the Global Opportunity Youth Network approach in Ramgarh and Barwani, there was a wide-reaching mapping of potential opportunities that youth can choose from that are highly contextual to the district.

## District Level Value Chain Development - Opportunity Analysis

The preliminary analysis and multiple discussions have thrown some light on the most promising value chains and demonstrated the **need for a dedicated working group for value chain development in Ramgarh**

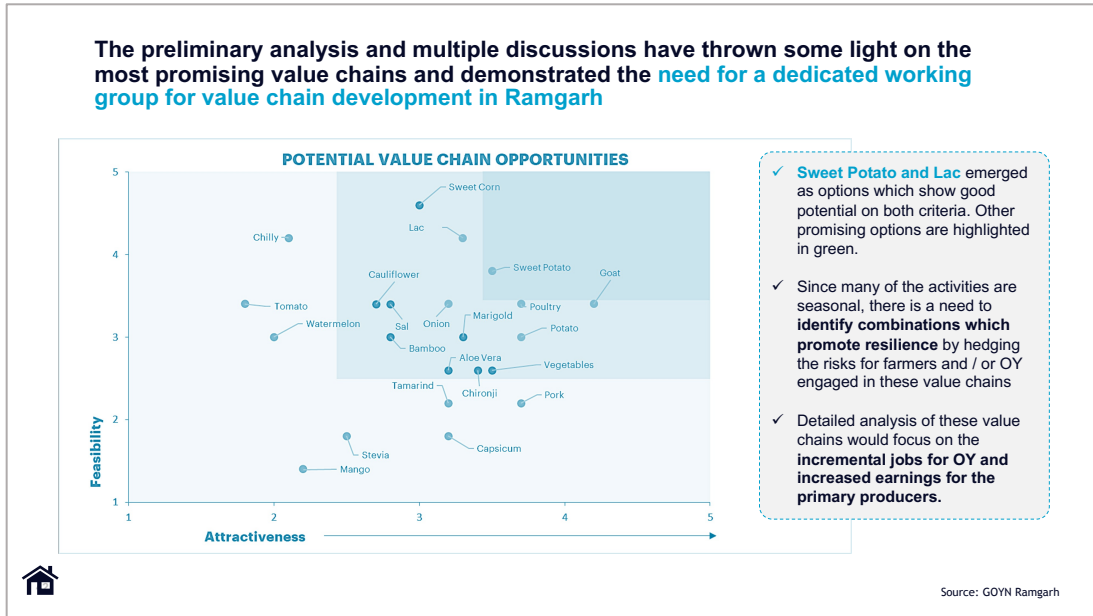


FIG 3.12: VALUE CHAIN OPPORTUNITY ANALYSIS – EXAMPLE FROM GOYN RAMGARH

## Business Opportunities Mapping

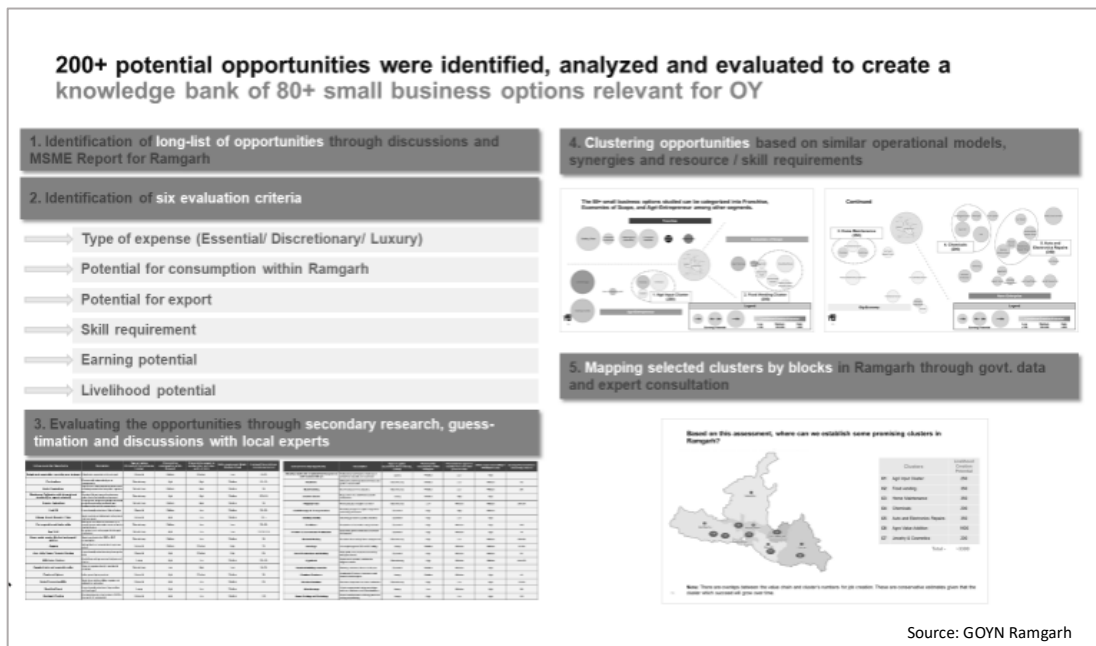


FIG 3.13: BUSINESS OPPORTUNITY ANALYSIS – EXAMPLE FROM GOYN RAMGARH

These ideas were then developed into a business idea compendium to support young first-time entrepreneurs make informed decisions regarding the selection of their business idea.

## Business Idea Compendium with 60 Hyperlocally Relevant Enterprise Ideas and Overview

### Gerbera Polyhouse Farm

Also cultivated as a decorative garden plant, Gerbera or African daisy is an attractive high-value cut flower. It grows in many colours – white, yellow, pink, red, cream, white, orange etc. Gerbera flowers year-round under warm, humid conditions.

Commercial polyhouse farming, a fairly new concept for Indian farmers, is a method of growing plants under protected environment. A basic frame is made with steel pipes and it is covered by polythene. The low-cost polyhouses have natural ventilation whereas the expensive ones have full climate control mechanism inside the polyhouse.

**MARKET POTENTIAL**  
As per the official exports data of APEDA (Agricultural and Processed Food Products Export Promotion Authority), India has exported 16,94,837 kg of floriculture products to the world, worth ₹54,63 crores (\$75.89 million) in 2019-20. Because of the State Horticulture Mission's initiatives, the acreage under floriculture in Jharkhand has grown from 1000 Ha in 2015 to above 4000 Ha in 2020, out of which, approx. 100 Ha of land was under Gerbera and Rose cultivation in 2020. Ranchi, Gumla, Saraikela, Barmgarh, Deoghar and East Singhbhum are the major flower growing districts. Despite this, the current production of flowers meets only 70% of state's demand, making it a ready market for high value flowers.

**HIGHLIGHTS**  
Capital Investment: ₹3-4 lakh (post-Govt. subsidy)  
Space Required: 500 sq. ft.  
Monthly Profit: ₹8,000-25,000  
Risk: Categorized 2

**PROCESS**

Gerbera is a stemless perennial herb, dwarf 30-45 cm height with presence of hair throughout. Leaves are 12-20 cm long and 5-7 cm broad. Flower stalks are long thin and leaf-less single or double type of single or multicolour. It flowers round the year in warm, humid conditions. It takes 2-3 months from planting to flowering. Propagation of gerbera can be done by seeds, cutting of clump and by tissue culture. Gerbera flowers could be grown in temperature 15°C to 40°C and humidity of 60-70%. Each of the plants require around 300-700 ml water per day based on the external climatic conditions. The flower needs well drained, rich, light, neutral or slightly alkaline soil with pH range of 5.5-6.5. The crop can be cultivated throughout the year. Gerbera is cultivated on raised bed in which the bed should be of height 45 cm, width of bed 65 cm and pathways between beds 30 cm. Once planted and maintained well, a plant could yield flowers for 3 years under polyhouse cultivation.

In each square meter of space 6 plants could be planted. The plants start blooming around 3rd month onwards and from each plant in a year around 40-48 flowers could be harvested. Flowers are ready for harvest when 2-3 whorls of stamens are formed in the inner whorl. Plucking should be done in morning or evening by giving an angular cut of 1.5 cm at the heel of the stem. Then the flowers are put in 2-3 cm water having citric acid -ascorbic acid @ 5ml/litre of water at 14-15°C for 4-5 hours. Then plastic wrap is put on individual flowers and bundle of 10 are made. They are put in boxes and transported to the market.

The process flows as below –

- Erection of the poly unit,
- Soil and bed preparation
- Seedling transplantation
- Irrigation, fertilizer application, pest control
- Harvesting,
- Packing in boxes
- Transportation to market

**COST-BENEFIT ANALYSIS ASSUMPTIONS**

- The polyhouse is having an area of 500 square meters
- Agriculture is a 365 days business; however, it is assumed that labour it deployed 28 days in a month @ ₹320/day
- The central government provide 50% subsidy on polyhouse making; however, the farmer has to initially invest and then claim the amount from the government
- For structure up to 4,000-meter square of naturally ventilated tubular polyhouse government gives 50% subsidy @ 1,060/ meter square
- There are 6 seedlings planted per square meter of space for optimal yield of flowers
- Value of Gerbera stems vary highly, in marriage season it rises to ₹9-10 per stem, whereas in lean season drops to ₹3-4, therefore average cost is taken as ₹5/stem
- The land is owned by the farmer
- There is ample supply of water to the land
- The pH testing of soil is done and it is found suitable for Gerbera plant cultivation
- 5 different colour varieties are chosen
- Cladding material for the polyhouse is 200 micron thick, UV-stabilised, anti-dust, with cooling effect, light diffusion
- Working capital is calculated as sum of cost of seedlings, cost of other raw material for one month, salary of staff for one month, receivable for one week and other recurring cost for one month

A	TOTAL CAPITAL INVESTMENT	AMOUNT (INR)
A.1	Fixed Capital	2,31,170
A.2	Working Capital	1,88,237
	Total	4,19,407

A.1	FIXED CAPITAL	AMOUNT (INR)
1	<b>Land and Building</b>	
a	Naturally ventilated Tunnel Type Polyhouse (500 sq meter) after 50% government subsidy	1,75,000
2	<b>Machinery and Equipment</b>	
a	Spades, fork, knife, shovel etc.	1,000
b	Water Pipes, water cans, buckets etc.	3,000
c	Drip irrigation system with fertigation unit	20,000
3	<b>Pre-operative Expenses</b>	
a	Leveling of land (2-degree slope) with power tiller or manually	2,000
b	Plastic water and slope make (weaving in soil for sloping water area)	25,000
c	Soil homogenizer with 200 liter capacity (granular, water, soil)	1,000
d	Soil preparation labour charge @ 100/m²/acre	1,000
	Total	2,31,170

A.2	WORKING CAPITAL	AMOUNT (INR)
a	Cost of tissue cultured seedlings	82,700
b	Cost of other raw material for 1 month	2,475
c	Salary of staff for 1 month	22,960
d	Other recurring cost for 1 month	3,824
e	Receivable for 1 week	14,279
	Total	1,46,837

B	COST OF PRODUCTION (ANNUAL)	AMOUNT (INR)
a	Total recurring cost per annum	4,03,982
b	Depreciation on building @ 1%	17,500
c	Depreciation on Machinery and Equipment @ 10%	2,600
d	Depreciation on office equipment / furniture etc. @ 10%	54,305
	Total	4,68,007

C	TURNOVER (ANNUAL)	AMOUNT (INR)		
	Quantity	Rate (INR/unit)		
	Gerbera Flowers	1,35,000	₹30	₹40,50,000
a	Annual Profit			2,74,235
b	Profit per month			22,853
c	Net Profit Margin			6%
d	Break Even Quantity and months			74,824 flowers and 7 months of time
	Rate of Return			7%

FIG 3.14: BUSINESS IDEA COMPENDIUM – EXAMPLE FROM GOYN RAMGARH



6. **Work4Progress (W4P)**<sup>65</sup>: This initiative by Development Alternatives in partnership with the la Caixa Foundation, Transforming Rural India Foundation, and Rang De differs from traditional project-based efforts - it is an innovative approach to address the growing job crisis and challenges faced by grassroots entrepreneurs in India. The program aims to listen to multi-stakeholder perspectives through dialogue, find answers through co-creation, prototype solutions and share learnings to accelerate impact at scale. Within W4P, there are a variety of social innovation tools and processes that serve multiple functions of facilitating deep listening for gathering insights, shared spaces for meaningful dialogue, and collaboration for co-creation of enterprise and systemic prototypes, which are influencing the local entrepreneurial ecosystem and bringing systemic shifts in the communities. All systemic prototypes have been co-designed with communities by stirring innovations, breaking silos, and forging connections with stakeholders. Emerging from these, some key ‘micro-movements of change’ are highlighted below:

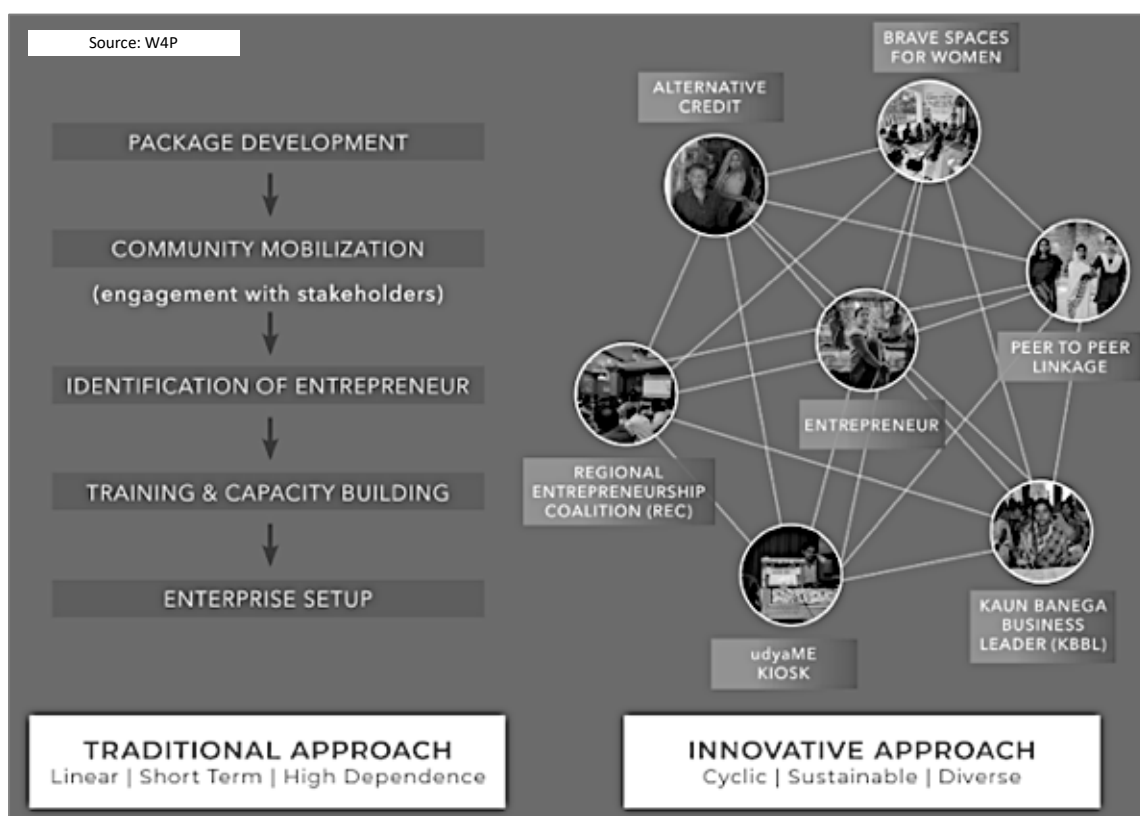


FIG 3.15: EXAMPLE APPROACH FOR ENTREPRENEURSHIP SUPPORT

- **Peer to Peer Lending:** Over 30 per cent of India’s population has access only to informal credit, with interest rates between 15-24 per cent. This program leverages the power of social investing to empower unbanked, low-income entrepreneurs with access to low-cost, customized credit, resulting in increased financial inclusion. Now, those who were historically excluded from the formal financial system have been provided timely and affordable access. This program has enhanced incomes of entrepreneurs by 15-20 per cent, while also influencing local MFIs to provide competitive interest rates of 7-8 per cent or increase the loan repayment period for micro-entrepreneurs.

<sup>65</sup> Development Alternatives

- **Brave Spaces:** This is a platform for A platform for women to raise their voices, express their aspirations, and advance their learning about themselves through comic workshops and listening sessions. Brave Spaces has also enabled women to move into non-traditional economic activities.
- **District Entrepreneurship Coalition:** This is a collaborative platform where entrepreneurs and stakeholders work on enterprise and livelihood development, and co-create solutions to build a robust, local entrepreneurial ecosystem. An average of 15 stakeholders in a district working on enterprise development are unaware of each other's schemes – showcasing a very large opportunity for knowledge sharing and networking. The DEC prototypes solutions collaborative to ensure the sustainability of interventions and creates an enabling ecosystem that is responsive to the needs and aspirations of the entrepreneurs. Of the micro-enterprises that emerged from the DEC, each create ~3 jobs on average (vs. national average of 1.5), with 98 per cent of enterprises continuing to be profitable. In addition, the increased interconnectedness between different stakeholders and entrepreneurs led to a reduction in average time to set up an enterprise from 3 months to just 3 weeks.
- **Innovation Amplifier - Public Policy in Action:** In scaling rural entrepreneurship, effective policies and schemes have been devised, but a consistent top-down linear approach has not resulted in the effective realisation of entrepreneurship. Micro-enterprises are an important source of quality employment for rural communities, and to ensure that rural entrepreneurship can be scaled across geographies, there is a need for existing large-scale programs and policy interventions to adopt bottom-up innovations. This integration, along with strategic partnership, can amplify the impact of innovation and create holistic shifts in the ecosystem. To provide increased access to entrepreneurship, prototypes developed under Work4Progress across Uttar Pradesh have been channelised and scaled by leveraging government infrastructure. A partnership with Uttar Pradesh State Rural Livelihoods Mission (UPSRLM), an autonomous registered society under the aegis of the Rural Development Department, Govt. of UP, has enabled the following breakthroughs in three districts of Uttar Pradesh:
  - Customising and integrating innovative systemic and enterprise prototypes in existing programs of Start-Up Village Enterprise Promotion and National Rural Economic Transformation programs
  - Empowering community institutions to unleash the entrepreneurial energies of individuals and gain agency in decision-making for livelihood creation at the district
  - Ensuring local ownership through public-private-community convergence and creating impact at an accelerated rate across multiple geographies

The partnership created space and mechanisms for joint planning and review for the smooth transfer of the prototypes, convergence with other government programs/schemes, and co-creating solutions with the local government stakeholders. The partnership has led to enterprise creating which has led to jobs, innovative financing for these enterprises, and a shift from support for specific enterprise types towards becoming more enterprise agnostic and inclusive.

- **UdyaME:** Co-created with a network of existing Common Service Centres (CSCs) providing basic digital services, udyame's objective is to increase access to enterprise support services for aspiring entrepreneurs in rural India. Through the udyame website and udyame physical kiosks, the platform is able to deliver support services such as access to credit, technology consultation, capacity building, legal registrations and market facilitation services. The platform is tailored to the needs of entrepreneurs in peri-urban and rural India, and disseminates reliable and consistent information. Particularly, the physical kiosks have become a hub for strengthening peer-to-peer connections between entrepreneurs – each kiosk delivers digital services to more than 15 villages on average. The platform has been able to connect users to technology providers, training institutes, financing institutes and civil society organisations, helping entrepreneurs set up new ventures or grow existing ones.











7. **Value Chain Development:** Interventions such as value-chain development play a critical role in increasing local economic activity. Value chain clusters can not only create entrepreneurship and job opportunities, but it can also enable improved access to inputs and markets activities. For example, in Ramgarh, sweet potato was identified as a potential value chain for creating opportunities for youth. Based on the findings of a detailed district level study, National Bank for Agriculture and Rural Development (NABARD) apex institution for development of the cottage industry, small scale industry and village industry, and other rural industries in India - has sanctioned a pilot project to promote orange flesh variety of sweet potato in 1000 acres of land in the district. This new variety introduced in the region has huge potential to create 800-1000 new opportunities for rural youth in the district.
8. **Government sourcing:** Government agencies can stimulate the local economy by choosing to source supplies locally rather than import them from other regions, states, or countries. This practice should be used with caution, as while it aims to boost local economic activity, it can also introduce market distortions that result in higher prices and lower quality supplies. As government procurement accounts for nearly 30 per cent of India's GDP, government sourcing policies can have a significant impact. Currently, the Public Procurement Order gives priority to companies with products containing 50 per cent or more local content. Products with less than 20 per cent local content are not allowed to compete in government tenders. Further, a program of the Ministry of MSME added to the public procurement policy a list of 358 items reserved for purchase from micro and small enterprises and the handicrafts sector. These guidelines apply at the national level, but similar measures could be considered at the local level to boost economic activity in rural areas.
9. **Access to Markets:** Over the last 10-15 years, there has been increasing support for small farmers, artisans and home or small businesses to receive capacity building and access to markets. There are now a variety of successful networks that are working with these small producers to make links to companies, stores and even directly to consumers that are looking for ethical and locally produced goods. The farm to table movement for example is gaining momentum, as is the movement towards handcrafted products made by local artisans. Although these remain a niche part of the overall supply chain, the movement is growing. Examples from India include e-commerce platforms such as iTokri and Go-Coop for handicrafts, Sahyadri Farms for agricultural produce, and several high-end restaurants, hotel chains and supermarkets who source directly from producers, as well as farmers markets which are rapidly gaining popularity.
10. **Entrepreneurship Training:** There are a variety of incubators and accelerators (e.g. Villgro, Atal Incubation Centres, School of Social Entrepreneurship), networks (e.g. Intellectap) and public programs (e.g. Start-up Village Entrepreneurship Programme (SVEP), a sub-scheme under the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM) that are providing training for entrepreneurs all across the value chain. In Ramgarh, GOYN is leveraging expertise from local training providers to develop Enterprise Facilitation Hubs in strategic locations across the district, which will provide aspiring and existing entrepreneurs with an easy access point to curated and end-end resources. There are also skilling programs for rural entrepreneurs, such as the RSETI program of the Ministry of Rural Development and Vigyan Ashram's training program which provides youth with entrepreneurship training and incubation for rural technologies across Maharashtra.
11. **Embedding Entrepreneurship and Vocational Training into School Curricula:** Vigyan Ashram, has developed a work-centric education program (IBT – Introduction to Basic Technologies) for secondary schools. The program is approved by the Government of Maharashtra for replication in schools across the state and uses the learning while doing pedagogy for training in rural technologies in STEM. Another noteworthy intervention comes from the Wadhvani Foundation, which has developed a cloud-based delivery entrepreneurship education program to support people to become entrepreneurs. This approach focuses on developing and delivery of fresh, engaging content to students with the support of a facilitator rather than a teacher. The sweet spot for this intervention is for workers that finish high school but do not go to college.

## 12. Generating Economies of Scale via Business Structures such as Cooperatives and Producer Companies:

The Cooperative sector in India is one of the biggest in the world, with 2,705 district-level cooperatives as of 2018<sup>66</sup>. Cooperatives are a successful and viable business structure, since they enable multiple entrepreneurs or businesses in the same sector (e.g., farmers, artisans) to come together to pool resources in certain areas, generating economies of scale. For instance, cooperative members may share ownership of tools and assets (e.g., tractor), marketing resources or distribution channels. Cooperative members may also form a credit union to borrow funds collectively from a bank and distribute the loan amongst members. A credit union enables cooperative members to access more favourable interest rates by decreasing risk and transaction costs for the lending institution.

**13. Access to Viable Financing for Entrepreneurs:** To enable access to finance, it is critical to map services available at a hyper local level and match them to the different entrepreneur and business segments. For example, in GOYN Ramgarh, this detailed mapping was done as part of the initial analysis of gaps and opportunities in the community.

**Funding options: A youth entrepreneur has multiple funding options that can be leveraged at various stages of development of their enterprise**

 Public sector funders* Civil organization funders Funding facilitators	<b>Startup India</b>  <b>Atal Bihari Innovation Lab</b> Providing fiscal and non-fiscal benefits in form of patent incentive, rental assistance, utility bills, one-time marketing grant of Rs. 10 lakhs.	<b>Micro Units Development &amp; Refinance Agency (MUDRA)</b>  <b>Pradhan Mantri Mudra Yojana (PMYY)</b> Loans from 50k to 10 lakhs to micro enterprises through banks, NBFCs and NFIs for growth/development of micro business.	<b>District Industries Center (DIC)</b> <b>Seed Money Scheme (SMS)</b> For unemployed people to start their self-employment venture by providing soft loans to meet the margin money (up to 3.75 lakhs).	<b>Ministry of MSME</b>  <b>PM Employment Generation Program</b> 90% loan available for general groups from public sector banks. 15% margin subsidy for General, 25% for special* group. Includes SHGs.
	<b>I Create India</b>  <b>MAGIC Fund</b> Donation based seed capital fund to aspiring entrepreneurs trained by I Create and have a viable business plan and implementation strategy.	<b>Centre for Youth Development Activities (CYDA)</b>  <b>Seed Capital Support</b> Provide seed capital grant (in the range of 10k) to potential unemployed youth to support their self-employment venture.	<b>Bharat Rural Livelihoods Foundation (BRLF)</b>  <b>Funding Support</b> BRLF funds the support cost (e.g., Human Resource Cost, Capacity Building Cost, Capital Cost etc.) of an organization.	<b>Lend-A-Hand India</b>  <b>Micro-Enterprise Development Program</b> Provides bridge loan, covering capital cost and working capital for 6 months, after feasibility study is performed.
	<b>CII SME Finance Facilitation Centre</b>  <b>Loan facilitation</b> Offering <b>Advisory &amp; Facilitation support</b> via better access to Finance, Insurance, Credit Rating, and Compliances.	<b>deAsra Foundation</b>  <b>Loan facilitation</b> Provide guidance in creating <b>funding ready proposals</b> as per funder's requirements, assist with documentation and clarifications.	<b>* Note:</b> The District Mineral Fund is operating on a deficit budget and may not fund any new initiatives for the next 2-3 years. Thus, it has not been explored further	

Source: GOYN Ramgarh

\*Special- Women, SC/ST/OBC/ minority/ physically challenged/ ex-servicemen

FIG 3.16: FINANCING OPTIONS FOR ENTREPRENEURS

As seen in the example here, various funding options with varying degrees of accessibility exist for young entrepreneurs in Ramgarh district, Jharkhand.

Over and above this, in response to the fact that access to finance is one of the biggest challenges for rural youth entrepreneurs, several approaches are emerging to fund rural youth enterprises.

Some of these include:

- Micro finance, which remains a key source of financing and very needed, despite detractors such as exploitative pricing
- Cash flow financing which is able to unlock mainstream capital
- First loan default guarantee mechanisms provisioned for via philanthropic / CSR funds

<sup>66</sup> Krishak Bharati Cooperative Limited (KRIBHCO)

- Lowering cost of capital via provision of interest free capital, or interest subvention via private sector funding as well as government schemes
- SHG based financing which remains one of the most robust sources of community borrowing and lending
- Revolving grants / loans provisioned for via philanthropic / CSR funds
- Peer-peer lending, which is gaining traction for rural enterprise financing

Despite all of the above, the biggest challenges that remain in this sector are to move mainstream capital markets towards investing in rural youth enterprises, improving the risk/return economics through efficiencies (IT, risk evaluation) and blending capital, ensuring that there are sufficient access to markets, and matching mechanisms and credit evaluation between investors and borrowers.

## Recommended shifts

- 1. Clear segmentation of entrepreneurs and district level data:** Clear segmentation of entrepreneur segments by type of business and entrepreneur demographic will enable the creation of tailored and inclusive public and private sector funded support systems. Availability of this data at a district level will help create a demand-supply map and enable better planning of business idea selection for new entrepreneurs.
- 2. Increase Local Economic Activity:** Increase in local economic activity will inject cash into local communities and increase purchasing power, thereby creating local markets for entrepreneurs, and enabling to to sell their goods and services locally. This will reducing dependencies on long supply chains, create local, circular economies, and increase community-wide resilience.
- 3. Access to End-To-End Support:** Entrepreneurship training is only one small part of the solution. Young people need end-end and ongoing support through their journey to becoming successfully self-employed or becoming a successful entrepreneur. This can include aptitude testing, business idea discovery, business planning, training and skilling, regulatory support to register and run an enterprise, ongoing mentorship and handholding support for inventory management, accounting, taxing and other regulatory compliances, product / service development and design, finishing, packaging, business development and market linkages, storage and transport support, and critically, access to finance. Not all entrepreneurs need all supports – hence, segmentation (covered above) is critical to identify specific areas of support. This support can be as intensive as creating and strengthening value chains, producer organisations and cooperatives, to unlocking mainstream finance, leveraging innovative financing, and creating incentives and attractive products for lenders and investors. It can also be in the form of development and rollout of training for forward looking businesses, long-term mentorship via a case management approach, etc. Sometimes, easy but critical support is sufficient – such as support to create and manage a social media account critical for a D2C business for young weavers and other artisans.
- 4. Fostering an Entrepreneurial Spirit From An Early Age:** Creating spaces for children and youth to think creatively, build and ‘tinker’, and also teaching entrepreneurial skills from an early age will foster entrepreneurial aspirations among young people, equip young people with entrepreneurial skills desirable not only for entrepreneurship and self-employment but also increasingly in demand by employers.
- 5. Digital Access:** Enabling internet availability, ownership of smartphones and access to affordable data plans is an important support for young rural entrepreneurs – this will accelerate rural business by enabling access to digital business management tools and platforms for financial transactions, accounting and inventory management, market access, peer and expert support, and technical information and advisory.
- 6. Invest In Place-Based Programming:** There is a need to invest in local, collaborative approaches that bring together buyers and customers, public sector stakeholders, civil society organisations and the youth

themselves on an equal footing, rely on data to drive programming and track specific local outcomes, since these are most effective to generate solutions for complex issues at scale.

## II. JOBS IN THE FORMAL AND SEMI-FORMAL SECTOR

**Challenges and Barriers:** Much of the analysis, literature, and emerging evidence around barriers to entry and retention in the workforce this subject shows that most constraints that hinder the average worker will be disproportionately experienced by youth, with rural youth facing additional barriers. It is also worth noting that barriers vary by person and place and that vulnerable groups such as young women, youth with disabilities, or youth in fragile and conflict areas have further obstacles and a harder time overcoming them.

Constraints to securing and remaining in employment can be at the individual level or arise as a result of the macroeconomic environment and are most commonly a combination of both. These routinely manifest as supply side barriers (skills gaps) and demand side barriers (not enough jobs and business growth).

**Foundational Barriers: Low literacy rates and skill-demand gaps** are two critical and foundational barriers to successful entry and retention of rural youth in the workforce.

**Common Youth Programming Gaps:** Some gaps that exist across most youth programming in India and globally include:

- **Scale:** Even the most effective employment interventions have challenges with scale appropriate to number of youth. Challenges can range from funding constraints and unsustainable revenue models to youth mobilisation capacity on the ground
- **Funding Approach:** Funding - specifically private sector funding - for youth employment is largely project and initiative driven and fails to cover operational and capacity costs needed for high quality
- **Success Metrics:** Skilling outcomes are based on numbers of youth trained and placed, rather than number of youth retained in the workforce over an extended period, and income, savings and assets developed.

**Rural Indian Youth Specific Constraints:** In addition to these global challenges, youth in rural India face a specific set of constraints:

- **Lack of Formal Jobs:** The six million of youth entering the Indian workforce each year<sup>67</sup> far outnumber the four million formal jobs<sup>68</sup> created in the same time span. Most of these jobs are in urban centres – as seen in Chapter xx, cities in India occupy just 3 per cent of the land, but their contribution to gross domestic product is a massive 60 per cent.<sup>69</sup> This forces rural youth to migrate to already congested urban areas, where their educational and skilling gaps render most rural youth unable to compete with their urban counterparts.
- **Lack of Wrap-Around Supports:** Across the board, there is too much focus on skilling, with not enough emphasis on wrap-around services. The capacity of programs that provide services such as counselling, mentorship (before and after entry into workforce), agency or life-skills development, is nowhere close to being able to absorb the number of youths that need this end-to-end support to enter and remain in the workforce. Additional services beyond skilling and employment-related services are also needed to support youth employment. For instance, Indian women’s participation in the labour force has been declining - from 30 per cent in 1990 to 19 per cent in 2020. This is partly due to a lack of safe and reliable childcare options for young mothers, leaving them to wait until their children are grown before joining the workforce. The median age at first birth for women in rural areas is 20.8 years old, versus 22.3 years old in urban areas<sup>70</sup>.

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<sup>67</sup> McKinsey, India’s turning point: An economic agenda to spur growth and jobs, 2020

<sup>68</sup> LiveMint Survey

<sup>69</sup> NITI Aayog

<sup>70</sup> National Family Health Survey, 2019-2021

The Maternity Benefit Act of 2017 mandates that employers with more than 50 employees provide creche services, but this leaves out all women working in smaller businesses, self-employed women and women working in the informal sector.

- **Lack of Safe Migration Support:** As seen above, most rural youth are unable to compete for work in the formal sector and are forced to migrate seasonally for informal and unskilled labour<sup>71</sup>. Youth entering the informal sector are often only seasonally employed and constitute a majority of the underemployed / hidden unemployed population, with no benefits or support structures. A strong structure to support safe migration and fair participation of youth in the workforce is needed to enable easier and safer entry and retention of these migrant youth in the workforce.

<b>Informality of Employment among Migrant Youth (Age 15–29 Years) in Urban Areas, 2020–21</b>							
Last UPR	Gender	Informal Sector Employment	Formal Sector Employment		Total Informal Employment (Million)	Per Cent Informal Employment	Total Employment (Million)
			Total (Million)	Per Cent Informal			
Rural	Male	1.93	1.90	49.6	2.9	75.0	3.83
	Female	1.17	0.49	31.9	1.3	80.0	1.66
	Total	3.10	2.39	46.0	4.2	76.5	5.49
Urban/other country	Male	1.24	1.52	31.0	1.7	62.0	2.76
	Female	0.63	0.76	29.1	0.8	61.3	1.38
	Total	1.87	2.28	30.4	2.6	61.7	4.15
Total	Male	3.16	3.42	41.3	4.6	69.5	6.59
	Female	1.80	1.25	30.2	2.2	71.5	3.05
	Total	4.97	4.67	38.4	6.8	70.1	9.64

Source: Authors' calculation using unit-level data from the Periodic Labour Force Survey, 2020–21; UPR—usual place of residence; estimated million numbers are adjusted with census population projected for 1 January 2022; total includes transgender population.

FIG 3.17: INFORMALITY OF EMPLOYMENT AMONG MIGRANT YOUTH

- **Disconnect Between Employer Expectations and Youth Needs:** For the very small number of youth who do find formal work are placed into jobs, there is very limited to no post-placement support for rural youth migrating to urban centres and entering the formal workforce for the first time since the goal of most skilling programs is placement rather than retention. Most employers have unrealistic expectations from young employees, combined with a reluctance to invest in making the workplace suitable, welcoming, and safe for young employees from diverse socio-economic backgrounds. Young employees on the other hand are thrown into alien job environments that are especially inhospitable to vulnerable groups such as women and differently abled youth and often come accompanied by inadequate or unsafe accommodation and transportation infrastructure. On top of all these challenges, there is no social support net of family, friends, and community when youth are forced to migrate for work. Lastly, a key gap is the lack of critical wrap around services for successful entry and retention in the workforce such as engagement with families, safe transport to opportunities, childcare and mental health services. A combination of these factors results in high dropout rates - often within 1-3 months of joining.
- **Emerging Challenges in the Gig Economy:** For those youth unable to find formal work, most gravitate towards gig jobs – while newly emerging gig work such as food delivery or shared cab services have the potential to pay well with the flexibility of working hours, many challenges have emerged in the gig economy over the past decade. Firstly, many gig employers are free to change terms of hire relatively easily, putting

<sup>71</sup> Ideas for India, Seasonal Migration and health in India: Constraints for research and practice, 2019



gig workers in a precarious position of constant uncertainty. Secondly, benefits such as paid leave, health insurance, paid sick days, and retirement benefits are wholly employer dependent, since employee labour protection laws do not apply to gig workers as they are not technically employees, but freelance contractors. There is also no clear information source for gig workers around legal protections against discrimination or harassment on the job. Finally, gig workers are often also not eligible for unemployment benefits. All these factors leave gig workers more socially and economically vulnerable than employee counterparts and impact their future physical, mental, and financial wellbeing.

**Stakeholder Specific Challenges:** All key youth employment stakeholders have made remarkable progress in addressing rural youth unemployment, but continue to face critical barriers:

- **Public Sector:** Many successful youth skilling and employment programs have created significant outcome shifts for young people - but programming - and hence ownership of youth life-outcomes - remains fragmented across ministries and departments with no single entity holding accountability for youth outcomes from the time they are born, until the time they enter the workforce.
- **Private sector:** CSR and philanthropic funding is scattered, uncoordinated among various funders present in the same spaces and is driven by funding and reporting cycle outcomes rather than life-cycle outcomes for youth. While this funding is critical, it would achieve a much higher return on investment if unrestricted and designed to reconcile impact with youth lifecycle changes rather than numbers of youth trained or placed.
- **Skilling Sector and Academia:** Education, skilling and training is not demand-driven. Course content is either outdated or developed without employer inputs, and intake is not defined based on employer specific demand. Recent studies have revealed that the Indian labour market is largely characterised by an excess of low- and middle-skilled workers, while the demand for such type of work has not grown proportionately. The nature of demand has shifted towards hiring high-skilled workers, however Indian education and skilling programs fall short in supplying adequate and quality labour<sup>72</sup>.

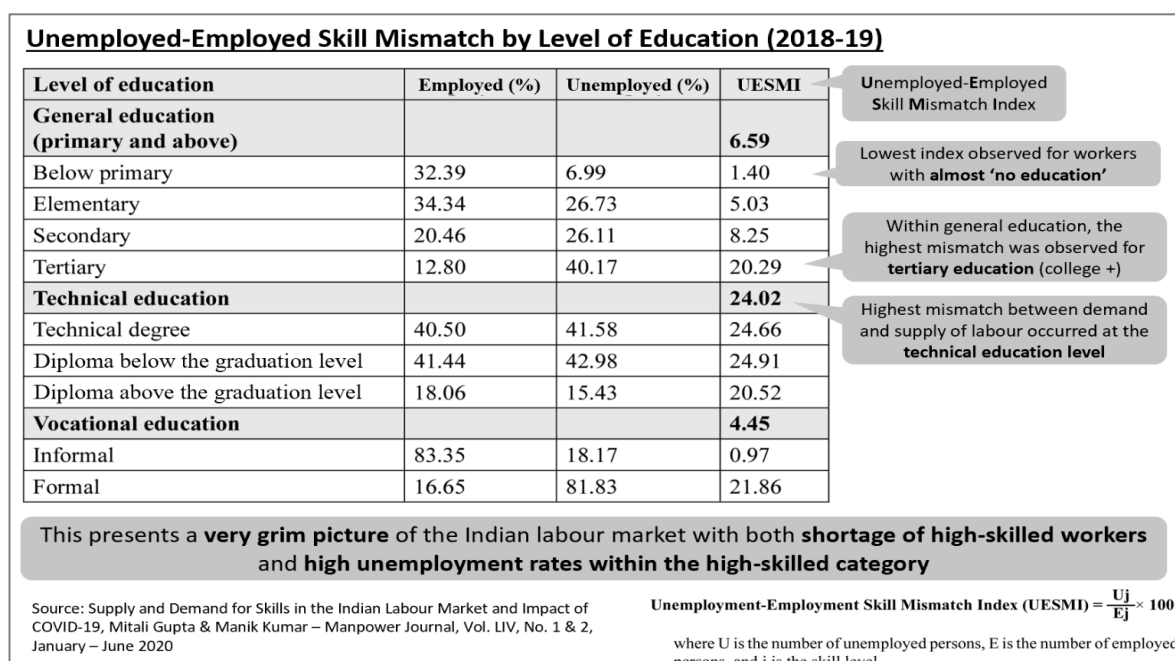


FIG 3.18: UNEMPLOYED-EMPLOYED SKILLS MISMATCH BY EDUCATION LEVEL

<sup>72</sup> Supply and Demand for Skills in the Indian Labour Market and Impact of COVID-19, Mitali Gupta & Manik Kumar – Manpower Journal, Vol. LIV, No. 1 & 2, January – June 2020



**Noteworthy And Emerging Solutions and Approaches:**<sup>73</sup> Considering the complexity of the challenge, with different contexts in different districts, mass programming or a silver bullet solution has not been found. Existing solutions are not place-based, data-driven, or tailored to different youth segments. However, some promising models are emerging in response to these challenges, both globally and within India.

## 1. Stimulating Job Creation

- A. Optimising Cost of Formality:** India's employment elasticity in the manufacturing sector (a formal sector with potential for high labour absorption) is only 0.3, compared to a gross elasticity rates of 0.45, 0.6 and 0.7 in Bangladesh, Brazil, and South Africa respectively. A critical requirement to increase formal jobs in India is to bring the cost of creating employment to its true natural cost of labour availability in the country. Currently, the cost of employing a worker in a formal enterprise in India ranges between 10-20 times its natural cost based on demand-supply economics. Laws like the Industrial Disputes Act and the Apprenticeships Act created to protect workers that have over the decades evolved to inhibit the creation of fresh employment and encouraged mass movement towards hiring contract labour. In Maharashtra, amendments to this and similar laws have reduced liabilities for employers to hire employees. As a result, a 2019 survey showed that of all the jobs created in India a third were created in Maharashtra - not because of the presence of more industry, but because of amending laws that enable pulling the price of formal employment down to its natural level<sup>74</sup>. This coupled with regulations in place to ensure fair and dignified work along with presence of labour unions to better advocate for worker rights and conditions and invest in more rigorous evaluation to unpack specific design elements to determine what works for whom, where, and why is the single biggest step towards creating more formal employment.
- B. Increasing Local Economic Activity:** Even with optimised cost of formality, low local economic activity in rural areas remains a challenge. For example, even with a mapping of current potential jobs in Ramgarh district, Jharkhand, there is a massive gap which will be difficult to bridge unless a transformational effort is made to bring jobs to the district. Therefore, a mapping out of all possible productivity improvements, value chains, value addition opportunities is critical for stimulating local jobs. Some key areas of focus include:
- **Value Chain Development and Producer Organisations:** Developing sectoral value chains is a key pathway to increase local economic activity, supporting rural entrepreneurship and creating incentives for businesses to stay in, or move to, rural areas for growth. The Global Opportunity Youth Network (GOYN) in Ramgarh district, Jharkhand, has been implementing such a value chain approach, selecting the most promising agricultural sectors for rural entrepreneurship, and working with local partners and youth to build out these value chains. An important aspect of value chain development is building the capacity and purvey of Farmer Producer Organisations (FPOs) that support linkages to markets and thereby grow these value chains while stimulating local value addition and mushrooming of local MSMEs that create additional local jobs. Beyond the typical approach, an emerging recommendation is to leverage programs such as the One District One Product (ODOP) and One District One Service (ODOS) to accelerate "Gross District Product" to stimulate not only direct jobs but overall economic impact in the district. Leveraging allocated funding from the state, other available funding such as tribal department budgets for gap funding in tribal focus areas, and other national, state, and district level programs and schemes can unlock significant funding for these producers.
  - **Rurally Headquartered Businesses:** Additionally, there are successful examples from entrepreneurs that have chosen to start their business in rural districts. For example, the FarmKart founder decided to return to his roots and set up a distribution centre of farming equipment in his hometown of Barwani,

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<sup>73</sup> Notable examples, not exhaustive

<sup>74</sup> Praveen Pardeshi, National Conference on "India @100 - Youth Employability and Entrepreneurship

Madya Pradesh. This has not only supported the creation of hundreds of local jobs, but also catalysed improved local farmer productivity, supported secondary economy of delivery trucks and motorcycles and fuel, food and related consumption. If this is the impact a single business can have, a movement of small businesses moving to rural districts can create a monumental shift. Incentives for entrepreneurs to set up rurally located businesses that not only provide goods and services to local markets, but also provide employment, while being responsible to local resources and ecology is a key jobs driver.

- **Creating Local Circular Economies:** By shifting the economic unit of development and trade to be a city or a district, a community can move away from ever increasing economies of scale and dependencies on growing corporations. These new economic units can leverage emerging technologies to create local circular economies, buying locally, and recycling locally. This will also reduce long supply chains and the disruptions that come with these, risk of exploitative labour, costs, and environmental impacts, while building up local producers, manufacturers, and artisans.

**2. Addressing The Skills Gap:** On the training or supply side of youth employment, a key pitfall is the significant number of existing training courses for jobs that do not exist, and at the same time the number of existing jobs for which no training courses exist at the scale needed to fulfil market demand. In response to this, some programs have evolved to connect more closely to the demand side through partnerships with the private sector in curricula, industry standards, or teaching, and increased on-job learning opportunities to better ensure education and training are demand-driven and responsive to the job market and employer needs. Other programs have adopted creative approaches such as sports, arts, or service learning to teach teamwork, communications, and other employability skills. Overall, it is critical to ensure that all training and skill development is aligned with and driven by corporate, SME and public sector demand. With the rapidly changing nature of work, high quality and job relevant skilling for emerging jobs is in increasing demand. Several skilling initiatives and approaches have emerged to cater to this need.

- A. High Quality, Futuristic, Demand Driven, and Collaboratively Developed Programs:** With state of the art skilling centres and curricula developed in partnership with global experts and/or employers, young people emerging from these centres are employable across the globe, with significantly higher than average placement and retention rates. The PAN IIT Alumni Reach for India Foundation (PARFI) has set up world class skilling centres and colleges that train youth from hard to reach, rural locations across Jharkhand and place them into leading employers across the world. Some noteworthy aspects of the program are as follows:

Another notable example of world class skilling infrastructure for rural youth can be found at The World Skills Centre set up by the Odisha Skills Development Authority in Bhubaneswar. This is a wholly public venture by the Odisha State Government. With a state of the art skilling centre, strengthened partnerships with local employers will promote local hiring along with developing youth as global export labour.

- B. Apprenticeships:** The Indian apprenticeship system is well established and supported by legislative and administrative arrangements that span several decades. However, by international standards, it is considered to be under-utilised, with inadequate incentives for employers, and insufficient structure and resources to support quality vocational outcomes. India has just 0.1 per cent of workforce engaged as apprentices compared to 4 per cent of workforce in Germany and 1.7 per cent in UK, India. compared with a labour force of nearly 500 million people. However, a study conducted by Dalberg for DFID (now FCDO) in March 2020 placed the benefit-cost ratio at 1.3 to 1.9 times for employers across various sectors. With stipends being split between government and employers, 79 per cent of apprentices are employed after their apprenticeship, and 71 per cent of employers pay higher stipends than required. a broad



consensus that apprenticeship, which is learning while working, is the best pathway for education to work transition.

- C. **Corporate Training, and Innovation Centres:** As a new approach to on job learning, IBM and many other large companies have started corporate innovation and training centres to align workforce development more closely with real and rapidly evolving corporate needs.
  - D. **Micro Credentialling:** Educational technology and learning platforms including MOOCs, interactive apps, and remote classrooms, is the emerging future of training. This is a great approach to enable skills signalling and revisiting certification schemes, establish or reform regional degree or reciprocity schemes for high migration corridors, and extend reach to more remote or out of school learners. Digital training is emerging not only for single classes, but also making inroads into premier institutions of higher learning in India and across the world. However, questions around credibility, course dropout / completion rates, and course effectiveness and relevance remain.
  - E. **Job Fairs, Counselling, and Career Information Campaigns:** Job fairs, counselling and career information campaigns are effective ways to engage parents and youth alike and create awareness as well as reduce stigma and encourage a wider range of career pathways
3. **Job Opportunities:** Some emerging jobs and trends are highlighted below:
- A. **Impact Sourcing:** Leveraging the lesson off the massive outsourcing companies in India and the Philippines, the last 5-10 years have seen the rise of “impact sourcing” companies. These are companies typically engaging with lower income or disadvantaged populations and provide on the job training in digital skills, with notable examples including Digital Divide Data and Cloud factory. Some of these companies have come together to form the Impact Sourcing Alliance, a network of companies looking to provide training backed by customer demand and sustainable growth. In India, impact sourcing examples include Sama<sup>75</sup> (data annotation company) and Rural Shores<sup>76</sup> (integrated IT and BPO solutions). The reality, however, is that all of the companies are at most several thousand employees and often just a few hundred. Additionally, although these companies have higher value added opportunities, career growth and retention are areas of improvement. The fact remains that the largest employment comes from the large traditional companies ICT/BPO companies such as Infosys and Accenture. These companies hire tens of thousands of people at entry level jobs. With some added push on the skilling side, these can be suitable opportunities for Opportunity Youth, and naturalised rather than designed impact sourcing.
  - B. **Micro-work:** Another trend that leverages technology is to work remotely on specific tasks. Platforms such as UpWork, Fiverr, Freelancer, Amazon Mechanical Turk, ShortTask, and others further simplify remote work - service providers can sign onto a platform and market their skills for discrete projects, lasting anywhere from an hour to many months or even years. These platforms have been extremely successful, and tens of thousands of freelancers have delivered millions of hours of work via these platforms. These platforms, however, often provide very low price points to providers, and projects often accrue to the same top 10 per cent of the freelancers. Nevertheless, these platforms have proven their stickiness for a subset of the population.
  - C. **Digital Jobs:** An exciting vision with the permeation of technology is the promise of digital jobs, whether impact sourcing, micro-work, or a whole host of other possibilities. Despite predictions of millions of jobs, to date, most of the opportunities have grown to the tens of thousands. Demand from companies has not thus far materialised and there is often a gap between training and skills required to those available. With most tech giants laying off large numbers of employees in the recent past months,

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<sup>75</sup> Sama

<sup>76</sup> Rural Shores

digital jobs are in a precarious place, but still continue to be vital with the ever increasing movement towards AI and automation.

- D. High Growth, Labour Intensive Sectors:** There are emerging sectors that typically require on-job training over traditional pre-job training and are predicted to be significant job creators, such as healthcare, green jobs, construction, retail/hospitality, and others. Thus, encouraging people to move into high-growth, labour intensive fields with on-job training is a valuable strategy that can address at least some jobs gaps. Sectoral opportunities are discussed in the following sections of this paper.
- E. Rapid Development at District Headquarters:** District headquarters are developing to become semi-urban centres across rural India. Cities are the fastest growing urban areas, but they are struggling to adjust to the pressures of this rapid urbanisation. Creating and leveraging a strong network of district headquarters can boost local economic activity and job creation. Programs that focus on strengthening these centres can result in lower levels of regional development disparities, higher productivity, and greater overall per capita income<sup>77</sup>.

#### 4. Developing Enabling Support Systems:

- A. Transformation of the Education System:** Transforming education systems to support jobs of the future, jobs in emerging fields, and overall entrepreneurship training while moving away from the traditional rote classroom learning system is addressing the root of the challenge, and slowly gaining traction. With increased internet access and the emergence of AI, the need is to complement subject knowledge with competencies such as critical thinking, learnability, and agility. Introducing job ready education from the primary school level is necessary, and India's 2023 National Education Policy (NEP) is a step in the right direction, bringing together several policy solutions. One of the main areas of focus of the NEP is the integration of vocational and skill-based training into the education system, with the goal of providing students the opportunity to acquire practical skills that can be used in the workforce and ensuring that the education system is aligned with the needs of the economy. The NEP also promises to promote the use of technology in education and support innovative educational technologies.

- B. Innovative Results-Based Financing Mechanisms:** These mechanisms seek to improve the quality of skilling programs by tying funding to the achievement of specific outcomes (e.g., job placement and retention) instead of outputs (such as the number of young people). For instance, the India Skill Impact Bond aims to see 50,000 young people trained, certified, and placed into jobs, with a focus on COVID-19 recovery sectors such as retail, apparel, healthcare, and logistics.



- C. Job Platforms and Employment Exchanges:** Making ICT based job platforms more accessible and localised by working with local employers such that young people are able to select and apply for relevant jobs close to home is helpful, especially when coupled with value added features such as skills passports, GIS mapping of all employers, etc.

- D. Wrap Around Services:** Safe and accessible transport as well as enabling support such as childcare for women will encourage more equitable participation of women in the workforce.

- 5. Universal Basic Income:** Recognising the world has plenty for all without everyone working and that not only are there not enough jobs, but that it is not necessary to have a job, the idea is to set a floor for everyone to have a universal basic income. Although the concept has been around for many years and technically the world's capital supply could support such an approach, the idea of a mass redistribution of wealth is still a revolutionary one and is yet to garner private and public sector will at a systemic level. Though nowhere close

<sup>77</sup> CitiesAlliance, 2014

to sufficient, a small step in this direction is the announcement by the Tamil Nadu government to pay eligible women a sum of Rs. 1000 per month in recognition of the many hours of unpaid domestic work women undertake.

### Recommended shifts

- 1. Increase Local Economic Activity:** Even the best skilled youth cannot be placed into jobs that do not exist, and not all young people have the risk appetite or skills to become entrepreneurs. Fostering local economic growth through investment, development of industry clusters, optimising cost of formalisation to enable local hiring, and connections to regional and global trade markets is essential to boost formal job creation.
- 2. Develop End-To-End Support Programs:** Providing skilling programs does not work in isolation. Wrap-around services (such as childcare, healthcare, transportation, post-placement retention) are critical. Finding ways to meet youth where they are, for instance through youth hubs, and connecting them to existing services is essential. Beyond jobs, young people need a sense of hope, agency and belonging.
- 3. Link Success To Outcomes Not Outputs:** There is an urgent need for the skilling ecosystem to become demand-led, with much closer ties to employers and labour market needs. To encourage this shift, funding for skilling programs must be tied to achievement of outcomes (job placement and retention) rather than delivery of activities (e.g., students trained). In order to do this, there is a need for skilling institutions to develop the systems necessary to track and report against placement and retention outcomes over 18-24 months post placement.
- 4. Shift Focus From Skills To Aptitude:** To bring rural youth at par with their urban counterparts, there is a need for skilling programs and jobs to shift selection criteria from credentials to aptitude, which includes new ways to evaluate applicants' potential and ability to learn.
- 5. Build Capacity Of Skilling Institutions And Encourage Innovation:** New models of training involve co-creating course offerings with employers, basing available slots on market demand and combining classroom education with on the job training. The PanIIT Alumni Reach For India Foundation in partnership with the Jharkhand State Government has successfully cracked this model but it still remains niche in course offering and scale. There is a need for best practices of such organisations to be highlighted and replicated at scale for other sectors.
- 6. Invest In Place-Based Programming:** There is a need to invest in local, collaborative approaches that bring together employers, public sector stakeholders, civil society organisations and the youth themselves on an equal footing, rely on data to drive programming and track specific local outcomes, since these are most effective to generate solutions for complex issues at scale.
- 7. Experiment With New Funding Models:** Different financing structures create different incentives for stakeholders. How funding is used is more important than how much funding is available. For example, results-based financing models drive a focus on outcomes rather than outputs. Public-private financing models can combine the strengths of different stakeholders (e.g., capital expenditures covered by government entities, operating expenses covered by philanthropic funders and/or employers). Unrestricted funding can empower implementing organisations to focus on pressing needs without overly restrictive funder reporting.

## **Chapter 4: Cross Cutting Emerging Sectors**

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## CROSS CUTTING EMERGING SECTORS

In addition to the general income generation pathways, outlined in the previous chapter, the following sectors are emerging across the value chain with high labour absorption potential:

1. Green Jobs
2. Healthcare
3. Digital Work

Challenges, barriers, promising solutions, and recommendations for the above sectors are laid out in this chapter.

**The Importance of a Sector Level View in Opportunity Creation:** A sector level view enables activation of a whole ecosystem of jobs and entrepreneurship opportunities across the sector value chain, as opposed to development of isolated job roles. For example, the ILO estimates that in low-income countries, for every one health occupation worker, 3.4 jobs for non-health occupation workers are generated in the wider health economy. This statistic illustrates the powerful potential to skill and place greater numbers of workers by recognising and responding to the diverse roster of jobs to be filled across the health value chain.

A sector view enables the creation of **Sector Maps** that illustrate sub-sectors, entrepreneurship and jobs career paths within each sub-sector, experience and qualification requirements, training, certification, and licensing requirements, in-demand bridging programs and certifications, key employers, occupations and trends within the sector, and growth trajectories and pathways.

Lastly, a sector approach enables the engaging of the full sector, multi-stakeholder ecosystem to co-create solutions for a macro shift in the sector, but also specific engagements that enable demand driven skilling and deep employer partnerships.

Three key emerging sectors with jobs as well as self-employment and entrepreneurship opportunities growing exponentially are (i) the green economy (ii) healthcare and (iii) digital and data opportunities. An overview of the challenge, barriers to success and promising emerging solutions is outlined below for each of these sectors.

## GREEN JOBS

### A. Mapping the Challenge

India's past and current production and consumption patterns have resulted in high greenhouse gas emissions, particularly carbon dioxide. The accumulation of carbon dioxide has impacted the country's temperature levels – around 10M Indians are struggling with the hottest temperatures recorded in South Asia in over 120 years.<sup>78</sup> As global temperatures rise, we will see India's poorest suffer the most as climate change destroys livelihoods and disrupts employment in critical sectors like energy, agriculture, and transportation systems. ~60 per cent of India's population is directly dependent on climate-sensitive sectors such as agriculture, fisheries and forestry for its livelihoods.<sup>79</sup>

In 2016, India ranked a very low 68 out of 80 countries in the Global Green Economy Index (GGEI), a data-driven analysis of national green economy performance. Climate change and the economy are undoubtedly linked – by 2030, India is expected to lose an equivalent of 34M jobs as a result of global warming, says a report released by the International Labour Organisation.

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<sup>78</sup> Al Jazeera Report of Climate Change in India

<sup>79</sup> UNDP - Scoping Study and Policy Imperatives on Green Jobs and Eco-entrepreneurship Opportunities for Women in Select States in India



Simultaneously, in order for India to meet its climate targets in terms of deploying 500 GW of non-fossil capacity, the country’s renewable energy sector alone needs to employ 1M people by FY 2030. This near-term threat opens the door to green jobs – employment that contributes to preserving or restoring the environment, in traditional sectors such as manufacturing and construction, or in emerging green sectors like renewable energy. As more sectors are transitioning to low-carbon models, there is more potential for jobs to be green.

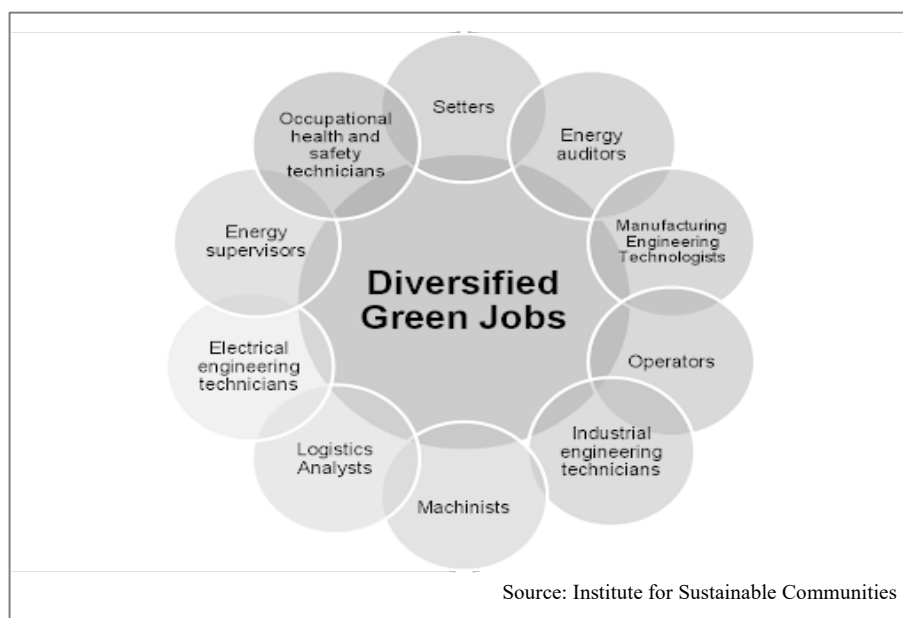


FIG 4.1: DIVERSIFIED GREEN JOBS

Climate change and youth unemployment must be addressed together to successfully transition the nation to a low carbon, environmentally and socially sustainable economy that leads to more and better work opportunities. This means assessing the sectors that would be impacted by the climate transition (such as energy, transport) in terms of economic growth and job opportunities. Finally, climate action is needed across the country and hence there could be concrete opportunities across urban and rural India.

### B. Identifying the Barriers

**Skill Gap:** One of the largest barriers for youth to enter the emerging green jobs space is the lack of formal education, technical training, and / or credentials. The development of skills for green jobs is crucial to ensuring youth are able to match their expertise with the demand for skills. With many green jobs being added in the near-future, youth without adequate knowledge or skills will miss out on employment and advancement opportunities.

**Ecosystem Gaps:** Additionally, there are gaps in the enabling environment to support public and private investments in the skills development space. There are pilots being explored by corporations, however there are no concrete plans to scale up these programs to reach mass youth in rural and urban settings thus far. These skills gaps need to be assessed not only for employment within specific industries, but across the supply chain where MSMEs play a critical role. Additionally, there are other carbon intensive sectors (such as coal based power generation) that currently employ a large number of people who may be needed to be re-skilled in the near future.

**Ecosystem Coordination:** While there has been general awareness and roll out of relevant initiatives within India, there a need for greater collaboration and partnerships between private sector and national and state governments across the ecosystem to support climate related jobs, and skilling, reskilling, and upskilling across key sectors.



## C. Emerging Solutions

**Skill Council for Green Jobs:** The Skill Council for Green Jobs is one of the most recently launched initiatives of the Government of India aligned to the National Skill Development Mission. Its objective is to identify skilling needs of workers and employers within the Green Businesses sector, and implement nation-wide, industry led, collaborative skills development & entrepreneur development initiatives.

**Increasing Popularity of Electric Vehicles (EVs):** Aligned with the global trend of increased adoption of EVs, India is expected to have 30 per cent of the vehicles on its roads to be electric or hybrid electric vehicles by 2030.<sup>80</sup> Currently India has about 230 million vehicles – one third of the vehicles by 2030 could amount to about 100 million vehicles.

The increasing vehicle population will result in many employment opportunities with a growing ecosystem of Original Equipment Manufacturers and component companies. Therefore, the EV market has the potential to create millions of local, green, and highly skilled jobs. In fact, according to estimates from the Ministry of Skill Development and Entrepreneurship, the EV industry alone will create 10 million jobs by 2030. For every direct job, there will likely be five indirect jobs – this takes the total employment by the EV industry to ~50 million. As a result, there will be a need for new knowledge and skills, such as:

- Scientific Research: Improving the performance of EVs, especially by improving battery, recharging technology, and materials
- Design and Development: Designing, testing and integrating components such as engines, batteries, generators, and electric motors
- Manufacturing: Managing specialised manufacturing processes including machine tool operations and assembly
- Maintenance: Repairing electric vehicles, and install electric vehicle components
- Infrastructure: Setting up and maintaining charging stations, laying powerlines, and establishing grid connectivity

**Renewables:** In 2017, the Ministry of New and Renewable Energy's Solar Policy of Karnataka announced that it targets to add 6,000 megawatts by 2021, a target 4,000 megawatts more than the previous aim.<sup>81</sup> To ensure this objective is reachable, more people are needed in this sector, with jobs focused on rooftop solar power generation, manufacturing of solar panel modules, inverters and converters and end-use components for LED bulbs and energy-efficient pumps.

**Waste Management:** Green jobs also have the potential to address two critical issues that many towns and cities in India are facing – solid waste management and wastewater management. For example, in Karnataka, ~70 per cent of solid waste is disposed directly into the environment. The state has very limited processing capacity to safely dispose of this waste. Waste across India is often disposed into the environment without treatment, contaminating the groundwater sources and leading to public health concerns.

The building and management of treatment plants – both sewage treatment plants for sewer waste and fecal sludge treatment plants for non-sewer waste – can help dispose of these safely, while also generating jobs.

**Circular Economy:** By creating districts as units of economic change and promoting distributed production for local consumption, communities will be less dependent on large corporations and ever increasing economies of scale. These new economic units can leverage emerging technologies to create local circular economies, buying locally, and recycling locally. This will also reduce long supply chains and the disruptions that come with these, risk of exploitative labour, costs, and environmental impacts, while building up local producers, manufacturers, and artisans.

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<sup>80</sup> CADD Centre – EV Jobs Report

<sup>81</sup> Government of Karnataka, Solar Policy

As climate change awareness rises, there is a global movement to shift from a linear to a circular manufacturing paradigm.

This is especially essential in electronics recycling, where the circular economy for e-waste has been gaining momentum. Examples of activities within the circular economy involve resource optimisation, recovering waste by recycling or giving the product a second life, and / or reducing raw material consumption. Adopting a circular economy model in India will result in yearly benefits of \$624B by 2050, and a 44 per cent reduction in greenhouse gas emissions.<sup>82</sup>

Not only will the circular economy in India encourage environment protection by lowering emissions and consuming fewer natural resources, it will also benefit the local economy by encouraging production models that rely on the reuse of available ‘waste’ as raw materials. It will foster the development of a new, innovative, and competitive industrial model, resulting in higher economic growth and more employment. The circular economy has the ability to generate 14 million jobs in the next 5-7 years across the country and create hundreds of thousands of new entrepreneurs.<sup>83</sup>

Using India’s metal recycling sector as an example – this sector employs ~1.75 million people, contributing to 2 per cent of India’s GDP. Research is showing a strong likelihood that content recycling will generate 6x more jobs in 2030. Therefore, this calls for recycling to be included as a ‘strategic sector’, given the enormous environmental footprint of the industry, its immense job creation potential, and its prospects of adopting high-end processes and technologies.

#### **D. Recommendations for consideration**

**Government Skill Development Programs:** A key requirement is for all government skill development programming to include training around demand driven green technologies. Cross collaborations such as between The Ministry of Skill Development and Entrepreneurship could and the Ministry of Environment and other relevant departments to assess current needs and future opportunities, and subsequently develop an action plan on how to best prepare youth for the green economy would improve efficiency of all programming. Specific focus on sectors with high near term demand (ex: solar or wind energy) coupled with some focus on industries with longer term transition is needed.

**Public Private Partnerships:** Government partnerships with the private sector who can provide direct experience through internships or technical trainings is needed. Public sector engagement with technical colleges to design additional courses around climate technologies to ensure students have received relevant training based on the needs of the industries is also a critical need.

**Fiscal and Non Fiscal Incentives:** Assessment of national and state policy actions by relevant ministries, including fiscal and non-fiscal incentives that would encourage private sector and other stakeholders to provide training around climate jobs will be helpful. For example, companies may be encouraged to allocate a portion of their CSR funds for green skills training purposes. Multilateral and bilateral agencies can also support the national and state governments with funding and capacity building. This could result in strengthened domestic manufacturing of various technologies like solar cells, modules, and batteries to generate employment opportunities.

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<sup>82</sup> What is circular economy and why is it important for India? The Economic Times, June 2022

<sup>83</sup> Circular Economy Symposium 2019, Niti Aayog CEO Amitabh Kant

## HEALTHCARE JOBS

### A. Mapping the challenge

ILO estimates indicate as much as 84 per cent of the total population in low-income countries is excluded from access to healthcare. The structural barriers are daunting: a shortage of workers needed to handle essential health-related services, the lack of infrastructure and equipment to deliver healthcare, competing interests between public and private entities, financial disincentives, and more.

The COVID-19 pandemic has exacerbated pressing fundamental challenges in the global health ecosystem, particularly in regard to the demand for health workers – not just for direct healthcare providers, but also for non-health occupations all along the health value chain. The pandemic has necessitated the identification of innovative solutions in the healthcare sector; examples include accelerated digitisation and the use of AI, tele-medicine, home-based care, and transport services and logistics. These solutions can translate to scalable business models for sustainability, economic profitability, social capital, and positive environmental outcomes.

This need gives rise to an enormous opportunity to reduce unemployment by connecting young people with health-related jobs. The opportunity is twofold: investing in training and hiring untapped workers in health-related jobs unlocks positive career trajectories for young people while also addressing gaps in health service provision. This approach has the potential to improve health outcomes and drive economic stability and growth, benefitting families and communities over the longer term.

Reports estimate that 7.4M skilled workers are needed to provide healthcare services in India – and there is a shortage in nearly every healthcare discipline. India has recently introduced a large health insurance scheme under the National Health Protection (NHP) Mission, offering coverage to 500M people. The success of many healthcare initiatives, including NHP, require the support of skilled and technically competent manpower. The need for 2M doctors by 2030, a shortage of 2.5M nurses, and a supply / demand gap of 6.5M Allied Health workers shows how critical a major transformation within India's health workforce really is.<sup>84</sup>

### B. Identifying the Barriers

**Urban vs. Rural Divide:** While the health workforce in India is steadily increasing (20.6 health workers per 10,000 people vs. 19 in 2012), the distribution of health workers is uneven between urban and rural areas. Rural areas with nearly 71 per cent of India's population have only 36 per cent of health workers.<sup>85</sup> This implies immense opportunity for rural populations to enter the health workforce and support systems and delivery within their communities, while also creating a sustainable career for themselves.

**Lack of Qualifications:** In India, there is a large presence of unqualified health professionals. However, this is not unique to India – unqualified health professionals are usually the first point of contact for rural and poor population in many low- and middle-income countries. The data also showed that ~25 per cent of currently working health professionals do not have the required qualifications outlined by professional councils, and that 20 per cent of adequately qualified doctors are not in the current workforce.

Overall, there are systemic barriers that impede young people from accessing opportunities to thrive in this sector. Additional obstacles include low awareness of promising pathways, to lack of training curricula for new health-related job roles, to employers disinclined to hire youth. Tackling these structural barriers to unlock economic mobility for young people in this sector calls for a holistic and collaborative approach.

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<sup>84</sup> Healthcare Workforce in India: the reality and emergence By Sabu Karakka Mandapam, M.App.Sc., PhD;

<sup>85</sup> National Sample Survey Organization

## C. Emerging Solutions

To remain agile and resilient as economies shift toward a post-pandemic world, governments, communities, and young people themselves must re-imagine and redefine jobs and livelihoods and think of creative ways to channel the energy, skills, and potential of youth populations into emerging growth areas. Based on early research, healthcare is emerging as a high-demand sector with multiple prospects. The ILO estimates that in low-income countries, for every one health occupation worker, 3.4 jobs for non-health occupation workers are generated in the wider health economy. This statistic illustrates the powerful potential to skill and place greater numbers of workers by recognising and responding to the diverse roster of jobs to be filled across the health value chain.

The below figure<sup>86</sup> demonstrate the variety of entry-level jobs across a diversity of segments. This offers a chance to refocus the lens through which health-related occupations are viewed, and to widen the aperture to include new demand-driven skilling opportunities, new types of jobs for young people to pursue, and a more inclusive hiring pool to draw from as employers fill vacancies. Pandemic and post-pandemic trends also suggest that healthcare is a highly resilient employment sector, especially compared to other sectors that typically are major employers – such as travel and tourism – that were more deeply impacted by the pandemic.



Segment	Sub-Segment	In Demand Entry-Level Jobs
<b>Production</b>	Pharmaceutical companies	Quality Assurance Associate, Junior Laboratory Assistant, Production Technician, Research Assistant
	Device Manufacturers	Sales Representative, Product Testing Associate, Medical Device Assembler, Manufacturing Assistant
	Biotechnology	Junior Research Assistant, Junior Laboratory Assistant, Manufacturing Assistant
	Consumer Health Goods	Research Assistant, Quality Assurance Associate, Junior Laboratory Technician, Production Technician, Research Assistant, Marketing Assistant
<b>Distribution</b>	Import & Wholesale	Shipping & Packaging Operator, Warehouse Associate, Assembly Clerk, Order fulfillment Associate, Material and Product Inspecting Clerks
	Transport & Distribution	Delivery (Truck) Driver, Supply Chain Logistics Technician, Material and product inspecting clerks, Stock Clerks, Order Fillers, Forklift Driver
	Packaging	Packaging assistant, Packaging Operator, Product Assembler, Handler
<b>Service Providers</b>	Healthcare facilities & clinicians	General Duty Assistant, Clinical Data Coordinator, Medical Record Transcriber, Home Nursing Assistant, Caretaker, Medical Secretary, Medical Receptionist, Ambulance Assistant
	Pharmacies & Dispensaries	Pharmacy Clerk, Supply Clerk, Administrator, Pharmacist assistant
	Diagnostic Services	Customer Service Associate, Field Service Engineer, Specimen Processing Assistant, Data Entry Clerk
	Alternative Medicine	Distributor, Sales Agent, Store Assistant, Massage Therapist, Acupuncturist, Herbalist
<b>Intermediaries</b>	Health Tech & Information Systems	Junior Systems Administrator, Customer Service Associate, Data Entry Clerk, Programmer, Database Administrator, Coder, Developer
	Non-profit organizations	Filing/Admin clerk, Data Capturer, Patient Facility Navigators, Community/Telephonic Tracer, HIV Self-Screener/ COVID-19 Self-Screener, Lay counsellor, Research Assistant, Peer Navigators, DOT (Directly Observed Treatment) supporters
	Regulatory Bodies	Quality assurance consultant, Regulatory analyst, Regulatory associate, Regulatory consultant
	Consultants	Data Analyst, Research Analyst
<b>Payers</b>	Private and public insurance providers	Administrator, Billings Officer, Customer Service Centre Agents, Data Capturers

FIG 4.2: HEALTHCARE VALUE CHAIN AND ENTRY LEVEL JOBS

<sup>86</sup> GOYN – Healthcare sector mapping

**Healthcare Sector Skill Council:** As discussed in previous section, the National Skill Development Corporation (NSDC) was created to support skill-building initiatives across India. Within the NSDC, the Healthcare Sector Skill Council (HSSC) was created to enable an ecosystem specific to the health sector. In October 2016, the GE Healthcare Institute partnered with Tata Trusts and other local organisations across India to train 10,000 youth for healthcare jobs and bridge the workforce skills gap across technology-driven health professional jobs. Private hospital networks were engaged to identify the appropriate hard and soft skills needed for entry-level jobs at these institutions. Additionally, Tata Trusts enabled accessible student loans to reduce the financial burden to families to invest in health professional education. At program completion, students take an HSSC examination and are officially government certified.<sup>87</sup>

#### D. Recommendations for consideration

The below figure indicates the synergies between positive health outcomes and positive youth development. The education sector must work hand in hand with the health workforce to ensure effective health training and professional development. Below are additional recommendations that could be instituted to improve employment in health-related fields:

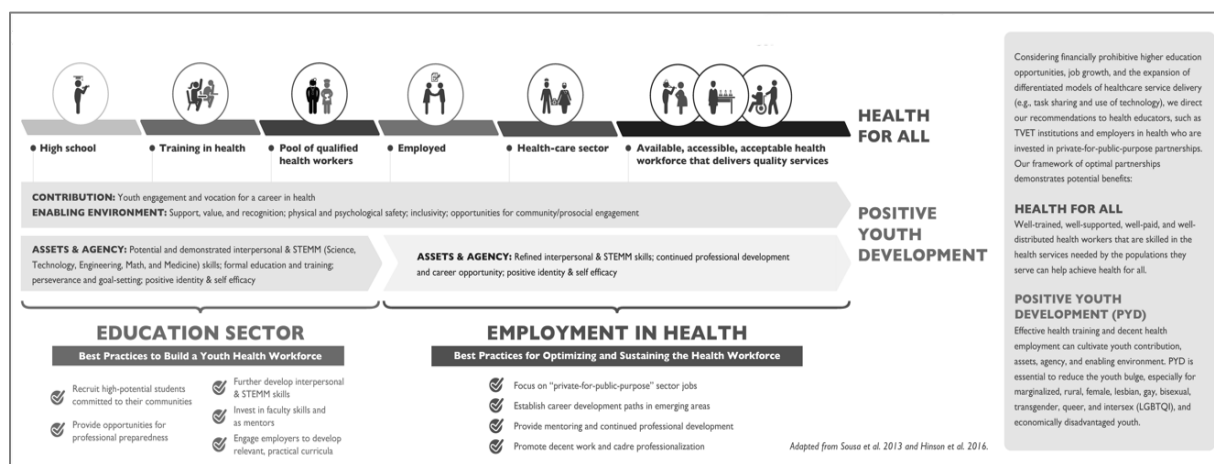


FIG 4.3: CORRELATION BETWEEN HEALTH OUTCOMES AND YOUTH DEVELOPMENT

**Expand supply side of the health workforce:** Prioritise the supply side expansion in geographies that have a shortage of healthcare workers, primarily rural regions of India. These geographies have a shortage of several categories of health workforce, therefore a systematic effort to co-create teaching institutions such as medicine, nursing, dentistry etc. should be encouraged. These institutions should link the curriculum to relevant, local population health needs. To further expand the supply side, the government could institute a policy to focus on encouraging more training applicants from underserved areas.

**Increasing participation of trained personnel in the workforce:** As mentioned above, a large portion of trained manpower is not present in the workforce – and this proportion is especially higher for women. Re-skilling these graduates to make them ‘market ready’ will require customised access to high-quality and scalable content to cater to a wide audience with diverse needs. This is where e-learning platforms can support accessibility and flexibility across rural and urban populations.

**Fast-tracking recruitment for public health facilities:** There is opportunity to improve effectiveness of recruitment processes by hosting walk-in interviews, job fairs, or contractual / flexible norms of engagements. This will indicate that the healthcare sector is actively looking for workers, signalling to populations that it is a

<sup>87</sup> Building The Future Health Workforce 2030: Opportunities For Youth Employment In Health. Rachel Deussom/Chemonics, Marut Setia/GE Healthcare & Government of India Labor Bureau 2018, National Skills Network 2018, GE HCI 2018.

sustainable sector to work in, and will also motivate workers who are out of the workforce to explore additional options.

**Upskilling programs for less qualified care providers:** The NSSO shared that there is a portion of the health workforce that has lower than desirable qualifications. There is opportunity for these workers to consider upskilling programs to improve the quality of the services they deliver.

## DIGITAL LITERACY AND DATA JOBS

**A. Mapping the challenge:** In India, where competition for a limited number of jobs is fierce and candidates need to stand out, 80 per cent of all job applications reported digital credentials – 20 percentage points more than in the US.<sup>88</sup> India’s digital economy is already thriving with no signs of slowing down – the nation is poised to be a trillion-dollar digital economy and could support 60 to 65M digitally enabled jobs by 2025-26.<sup>89</sup>

Clearly, employment opportunities within the digital economy are plenty, with employers actively searching for technical expertise to fill roles in their organisations. The challenge arises when the supply of labour is not adequately prepared, and therefore has less options when applying to jobs.

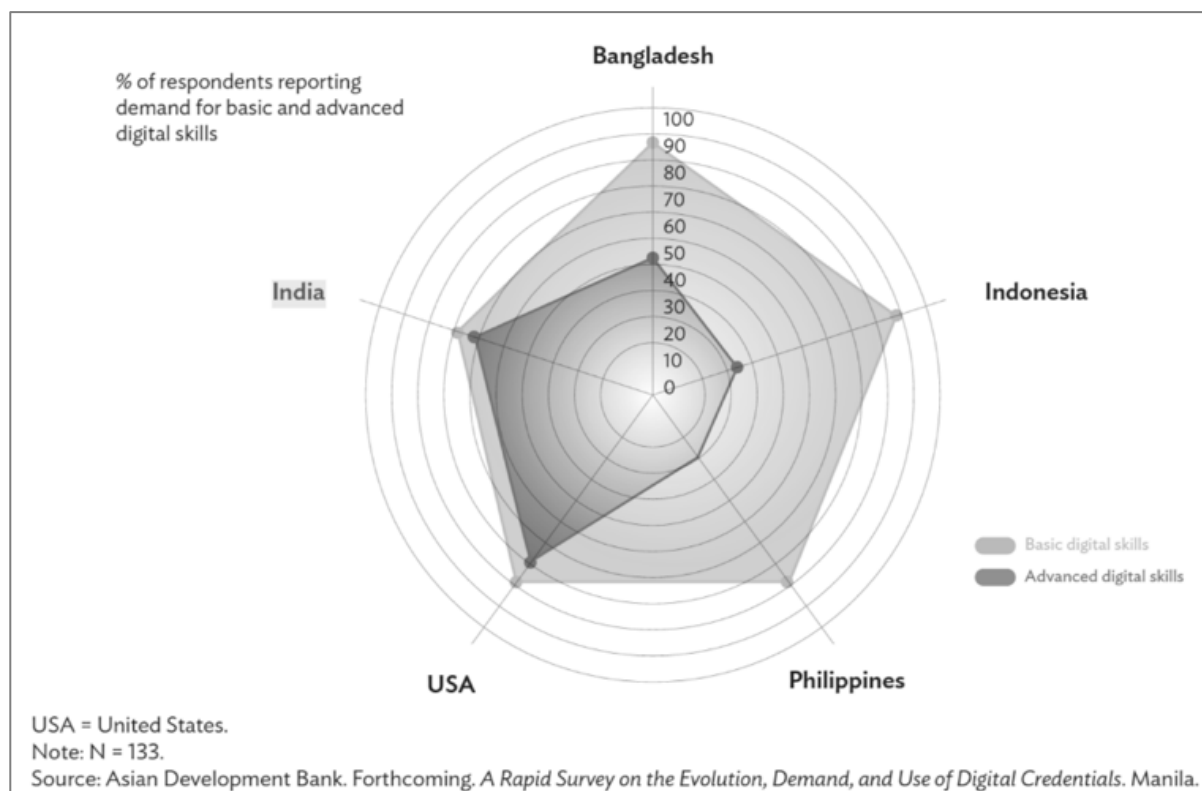


FIG 4.4: GLOBAL DEMAND FOR DIGITAL SKILLS

Despite this growth, the digital economy in India still faces several challenges. One of the biggest challenges is employment, as automation and AI are reducing the need for certain types of jobs, while the growth of the gig economy is leading to the creation of insecure and low-paying work. This has resulted in a skills gap, where workers are not equipped with the skills required for the jobs of the future, leading to unemployment and underemployment.

### B. Identifying the Barriers

<sup>88</sup> Digital Jobs And Digital Skills A Shifting Landscape In Asia and the Pacific; September 2022; LinkedIn & Asian Development Bank

<sup>89</sup> Ministry of Electronics & IT



**Digital divide:** While mobile connectivity is spreading, it is not spreading equally. India has among the world's highest gender gaps in access to digital technology. Studies indicate that Indian women ~15 per cent less likely to own a mobile phone than men.<sup>90</sup> Additionally, for women that do own mobile phones, many have no access to internet connectivity. GSMA's 2020 Mobile Gender Gap Report showed ~80 per cent of men own a mobile phone in India, whereas the number for women is ~65 per cent. While economic barriers play a role in the lack of female ownership of mobile phones or laptops, cultural and social norms also play a major part. This divide exacerbates inequalities for women, including access to information, economic opportunities, and networking.

**Lack of awareness and understanding of job opportunities:** Many young people in India may not be aware of the job opportunities available in the digital economy or how to apply for them. According to a survey by NASSCOM, only 25 per cent of engineering graduates in India are employable for the IT industry, and this number is even lower for graduates in other fields. This is partly due to a lack of awareness and understanding among young people about the types of digital jobs available and the skills required for these jobs – many of which they may not be learning in school. Many students in India still choose traditional career paths, such as medicine or engineering, and are not exposed to the vast array of opportunities in the digital economy.

**c**

Additionally, many of the barriers previously mentioned in this report are consistent in India's digital landscape. Lack of digital skills and technical knowledge, paired with limited access to quality education and training, make it difficult for youth to market the necessary skills to work in the digital economy (e.g., programming languages, software development). Infrastructural barriers exist as well – the lack of connectivity and technology infrastructure in some parts of India may limit the ability of youth in these areas to participate in the digital economy.

### C. Emerging Solutions

There are three key areas<sup>91</sup> where opportunities lie for employment in the digital economy:

- **“Digital Jobs”:** Roles such as digitisation projects, data tagging, micro work, and other BPO activities through a freelancing or aggregator models. This sector is extremely competitive, low wage, and has the potential to become automated with the increasing use of AI tools. Additionally, current freelancing models have sustainable jobs only for a small per cent of people. Existing training programs may not be suitable comprehensive, unless professionally organised, such as SamaSource / Digital Divide Data or India-based BPO companies.
- **Data Science Jobs:** These jobs include data gathering, tracking and data science and broader specialised data related jobs such cyber security. Unlike the above category, this sector is new and emerging. While huge growth opportunities exist, this sector requires more extensive training and professional management.
- **Computer / Programming Literacy:** Skills within this category enable people to find jobs or advance in their current jobs with improved computer / programming literacy capabilities. For example, this pathway includes areas of automotive, green jobs / electric vehicles, HVAC repair, hotel booking systems and health databases / records. In general, all fields are shifting from purely analogue to digital enabled, and computer skills will be expected across all industries and career levels.

With the digital economy at the forefront of India's economic profession, the Ministry of Electronics & IT (MeitY) and National Association of Software and Services Companies (NASSCOM) have jointly initiated a program titled **“Future Skills PRIME (Programme for Re-skilling/Up-skilling of IT Manpower for Employability)”**, with the objective of creating a re-skilling / up-skilling ecosystem in futuristic technologies. 8,20,000 candidates have registered on the Future Skills PRIME Portal, out of which 1,36,00 candidates have completed their courses. This highlights that the Indian population is looking for skilling initiatives and are interested in building their personal digital toolkits.

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<sup>90</sup> GSMA's 2020 Mobile Gender Gap Report

<sup>91</sup> GDI

**Internet Saathi Program:** This program was launched in 2015 by Google India and Tata Trusts. The aim of this project is to facilitate digital literacy among rural Indian women based on a ‘train the trainer’ model. Each woman was first taught how to use Internet and other related digital devices and then they could train and education other women in their networks. As of April 2019, there were over 81,500 Internet Saathis who had helped 28M+ women learn about the Internet across 289,000 villages.<sup>92</sup>

#### **D. Recommendations for consideration**

**Promoting Digital Literacy:** Digital literacy needs to be prioritised throughout the education system. The National Digital Literacy Mission should focus on introducing digital literacy at the primary school level in all government schools for basic content and in high schools / universities for advanced content. Broadly improving digital literacy will also increase the adoption of computer hardware across the country. Furthermore, these students can then educate their family members and network, creating a multiplier effect.

**Addressing the Digital Divide:** Programs with the objective of enabling skilling for a digital economy should account for the wide disparity in the ownership of mobile phones and computers among the low- and middle-income groups, specifically those coming from rural communities. Skilling programs should avoid a one-size-fits-all approach. Instead, programs should explore subsidising the cost of digital assets and data plans for students, if required, to enable them to access digital programs. Similar efforts can be used to overcome the gender divide in access to education, skills, and digital assets.

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<sup>92</sup> Google – Internet Saathi



## **Chapter 5: Cross Cutting Youth Employment Themes**

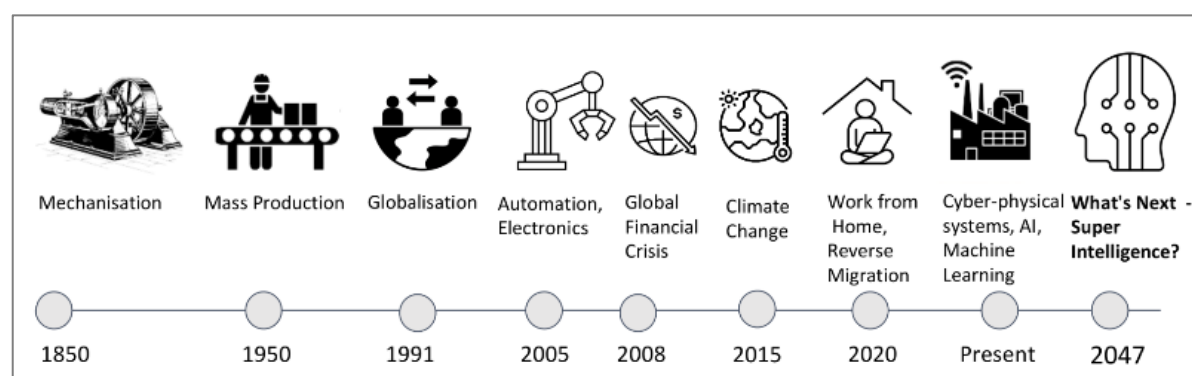
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This chapter explores the following cross cutting themes:

1. Future of work
2. Gender and equitable labour force participation
3. PWD inclusion in mainstream work

## FUTURE OF WORK

The future of work in India is expected to be heavily impacted by the ongoing technological advancements and automation trends, which will result in a significant transformation of the labour market. According to a report by the World Economic Forum, India is expected to experience a shift from low-skilled manual labour jobs to high-skilled, technology-driven roles in the coming years.<sup>59</sup> In addition to the opportunities that will arise from the growing digital economy, changing demographics, government policies, climate change, remote work and boosts to rural entrepreneurship through initiatives such as Make in India and Skill India will also contribute to the future of work in rural India.



Source: Development Alternatives

FIG 5.1: EVOLUTION OF WORK

As discussed above, the India's economy is expected to see significant growth and development in the coming years, driven by the increasing demand for technology-driven jobs. The development of new technologies and the rise of the digital economy is likely to result in the creation of new job opportunities in areas such as data analysis, digital marketing, and AI, with the potential to also drive productive growth in microbusinesses. According to a report by NASSCOM, the Indian IT sector is expected to create an additional one million jobs by 2025.

Another important aspect of the future of work in India is the need for reskilling, upskilling, learning, and unlearning. WEF has reported that by 2022, over 50 per cent of jobs in India will require skills that are not commonly found in the workforce today.<sup>93</sup> As the labour market continues to evolve, it will be increasingly important for workers to have the skills and competencies needed to adapt to changing job requirements and to take advantage of new opportunities. Unfortunately, access to training opportunities is also restricted by both geographical and financial barriers. For example, ~70 per cent of technical vocational education and training (TVET) providers in high-income countries were able to deliver remote training during the height of the COVID pandemic, but hardly any providers managed to pivot in low-income countries. Over 50 per cent of training activities stopped in these low-income countries during the pandemic.<sup>94</sup> The government, employers, and educational institutions are all beginning to focus on promoting reskilling and upskilling, especially for disadvantaged and marginalised populations such as women and rural populations.

<sup>93</sup> World Economic Forum; How can India prepare its youth for the future of work?

<sup>94</sup> IDR Online – What's the future of employment for India's youth /

## Future of Work - Spotlight Trends:

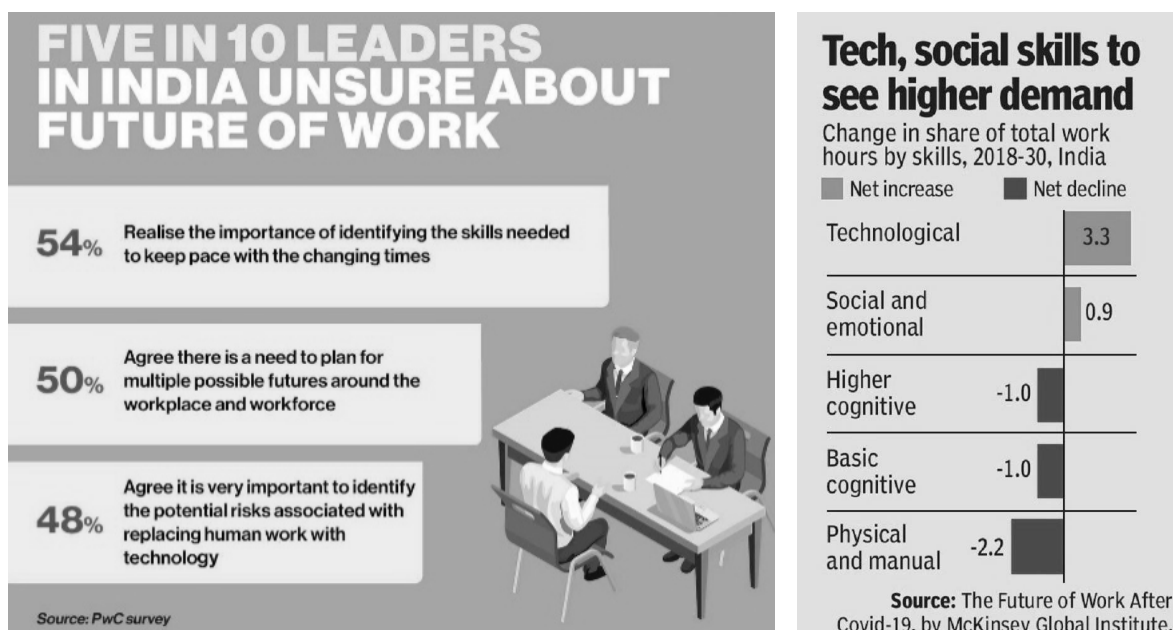


FIG 5.2: FUTURE OF WORK TRENDS

- **Distributed manufacturing** refers to the decentralisation of manufacturing processes, allowing companies to produce goods in multiple locations rather than relying on a centralised factory. This can improve efficiency, reduce costs, and increase responsiveness to local market demands. In India, distributed manufacturing has the potential to create new job opportunities in geographic areas that were previously inaccessible to the manufacturing industry.
- **Off grid solar energy** is the use of solar energy that is not connected to the traditional electrical grid. This approach can provide energy access to remote areas and increase energy independence. Off-grid solar systems could also lead to the creation of new jobs in installation, maintenance, and technical support. Additionally, off-grid solar can also bring about greater electrification to rural areas, leading to more economic activity and job growth in those regions.
- **3D printing:** This has the potential to revolutionise the manufacturing industry by reducing production costs, speeding up the design process, and enabling the production of customised goods. In India, the widespread adoption of 3D printing could lead to the growth of new industries and the creation of high-skilled jobs in design, engineering, and production. However, it may also displace workers in traditional manufacturing roles, as 3D printing allows for more automation and a reduction in manual labour.
- **Shorter supply chains:** These will reduce the length of time and distance involved in the movement of goods from the producer to the consumer. This can increase the speed and efficiency of the supply chain, reduce costs, and improve the overall sustainability of the production process. In India, shorter supply chains have the potential to create new jobs in logistics, transportation, and warehousing, as well as increase economic activity in areas that are closer to production centres.
- **Increased place-based economic activity:** This refers to the concentration of businesses and industries in specific geographic locations, leading to increased localised economic activity and job growth in those areas.

In India, this trend has the potential to drive regional development and create new job opportunities in a variety of industries. However, it may also lead to increased competition for jobs and resources in these areas, potentially contributing to economic inequality.

### Potential Interventions

The knowing-doing gap in relation to the future of work in India is wide – there is information asymmetry regarding opportunities and pathways, resulting in an aspiration mismatch amongst youth. In some cases, there is a lack of dignity associated with different forms of work, due to decades of social norms, making several accessible roles non-aspirational. To ensure rural India is prepared for the future of work, governments, CSOs and communities need to work together to achieve three overarching objectives:<sup>95</sup>

- **Unearth community aspirations:** Create a safe space where communities can share their concerns while organisations listen with empathy and co-innovate methods for the communities to find meaningful work - e.g., Leverage The Aspen Institute’s Toolkit to Engage Employers and Opportunity Youth on the Future of Work<sup>96</sup> to learn about changes happening in various industries, uncover insights about future changes in the nature and structure of work, and outline related implications for youth in their communities
- **Strengthen collective learning and social cohesion:** Ensure inclusiveness in solutions by building shared narratives and identities
- **Build robust ecosystems:** Foster connection between key stakeholders who can be involved in building resilient social security mechanisms and prototyping systemic solutions.

The future of work will require a mix of advanced technical skills and softer transferrable skills. When considering today’s youth in India, focus should be placed on giving both urban and rural youth early access to these skills before they enter the workforce.<sup>97</sup> Example interventions could include:

**Enhancing opportunities for career awareness via internships and apprenticeships:** A career awareness curriculum could be integrated into school curriculums to expose youth to a variety of industries, while clearly describing the pathway to success within these fields / roles. This will increase awareness in regard to the challenges and risks associated with the future of work. To further increase exposure, students should be given practical training through internships, apprenticeships, and / or volunteering to enhance and build the required skillsets.

**Enabling youth to transfer between formal and informal education / training channels:** Improving mobility within the education system could enhance accessibility and perceived value of alternative pathways, especially with industry alignment and acceptance. For example, a dynamic labour management information system could track the demand for skills and competencies in a rapidly changing world, and act as a compass when youth are deciding their educational pathway.

**Providing experiential learning for holistic development:** Future skill programs should be driven by experiential learning, complemented by resources such as coding applications and technologies such as AI and machine learning. Simultaneously, soft skills such as communication, ability to work on a team, good judgement, problem solving and critical thinking are noted as highly valued by employers. Skilling programs should prioritise methods of helping youth develop these skills, but also demonstrating that they have such competencies.<sup>98</sup> To ensure fully holistic development of soft and hard skills, STEM-based courses, language learning and life-skill coaching should also be included to set youth up for the 21<sup>st</sup> century workplace.

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<sup>95</sup> Youth Employability & Entrepreneurship; Future of Work | India @ 100; Development Alternatives

<sup>96</sup> Toolkit to Engage Employers and Opportunity Youth on the Future of Work; Amy Blair, Ranita Jain & Jamie McAuliffe, October 2019

<sup>97</sup> Education 4.0 India, October 2022 – WEF & UNICEF

<sup>98</sup> Toolkit to Engage Employers and Opportunity Youth on the Future of Work; Amy Blair, Ranita Jain & Jamie McAuliffe, October 2019

## WOMEN IN THE WORKFORCE

### WOMEN IN THE WORKFORCE

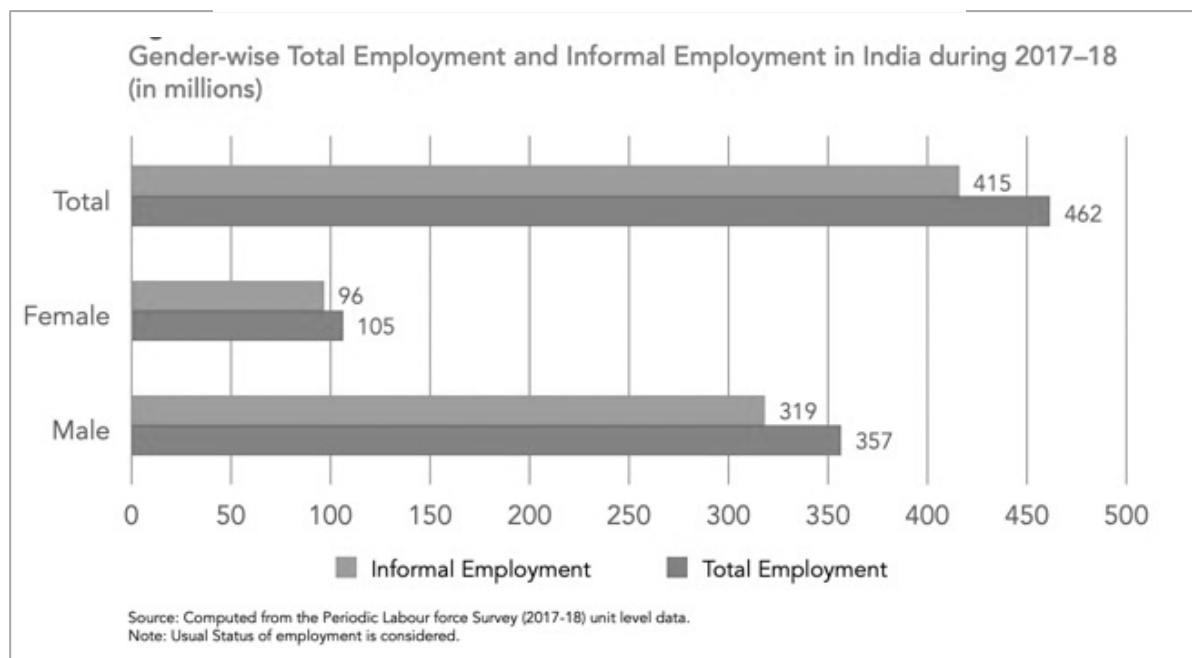


FIG 5.3: WOMEN IN THE WORKFORCE

**Lack of Literacy and Mobility are Barriers to Participation of Women in the Skilled Work Force:** For women, working status is integral to their empowerment status<sup>99</sup> and their economic independence – both of which are essential factors for overall well-being<sup>100</sup>. Economically independent women enjoy their rights, hold a high level of self-confidence, and are more financially stable than the women who are not engaged in the workforce.

However, even conservative estimates state that 50 per cent women in rural India are illiterate. An education barrier prevents women from participating in more skilled labour sectors and over 84 per cent women in rural India are engaged in agricultural activities. The lack of employment options, mobility and education render the majority of women in India vulnerable, as dependents on the growth and stability of the agricultural market.<sup>[9]</sup> Additionally, women's roles in the household is greatly defined by social structure and familial ties. In a typical rural Indian household, a husband, or in his stead the oldest son will make the decisions for a family.

**Invisible Economic Contribution of Women:** In addition to rigorous agricultural or physical labour work that is undervalued and underpaid, women are also responsible for the well-being of the household. They care for their children, provide nutrition or usually take part in subsistence agriculture, and do chores around the house. Based on time allocation studies, which pinpoint exactly how a woman's hours are spent throughout the week, Indian women spend about 25 hours in a week doing household chores and five hours in caring and community work.<sup>101</sup>

For example, besides the 30 hours of unpaid work, women spend the same amount of time as men carrying out agricultural work.<sup>[10]</sup> Daughters typically supplement or substitute for mother's unpaid work around the household.

<sup>99</sup> Sundari, S. (2020). Structural Changes and Quality of Women's Labour in India. *The Indian Journal of Labour Economics*

<sup>100</sup> Biswas, B., Banu, N. Economic empowerment of rural and urban women in India: A comparative analysis

<sup>101</sup> Satyavathi, C. Tara; Bharadwaj, Ch.; Brahmanand, P.S. (2010). "Role of Farm Women In Agriculture: Lessons Learned." SAGE Gender, Technology, and Development

Considered female tasks, the opportunity cost of girls' time for school is higher than that of sons. Girls do significantly more housework than boys, which compromises their schooling.

Furthermore, traditional agricultural methods heavily utilised by women subsistence farmers boast environmentally friendly features, such as seed preservation, natural fertilisers and crop rotation techniques that do not exhaust delicate soil.

**Women in Agriculture:** While the work women's participation in agriculture is labour-intensive, it is limited to activities considered unskilled work such as sowing, transplanting, weeding, and harvesting, that often fit well within the framework of domestic life and child-rearing. In India, 86 per cent farmers are small holder farmers. As these small farmers face increasing competition with larger farm operations an increasing number of men migrate to urban areas for higher wages and employment. Women are in turn left to support the family structure and support small farm lifestyle.

The agricultural sector workforce in India is 75 per cent women.<sup>102</sup> Despite their dominance in the agri-labour force women in India still face extreme disadvantage in terms of pay, land rights, and representation in local farmers organisations. In all activities, there is an average gender wage disparity, with women earning only 70 per cent of men's wage.<sup>103</sup> An important point to note is that many women also participate in agricultural work as unpaid subsistence labour.

**The Economic Cost of Inequitable Access to Land and Resources:** Despite their large presence and their contribution, less than 8 per cent of women farmers owning land, they often end up farming without being categorised as farm owners or landowners. Even with land in their names, they may not have actual decision-making power in terms of cropping patterns, sale, mortgage, and the purchase of land.

Furthermore, women farmers are often not equipped with what they need to succeed in farming. Studies have shown that women have less access to inputs (seeds, fertiliser, labour, and finance), critical services (training, insurance) and organised markets when compared to their male counterparts. Furthermore, access to credit is difficult, since women lack many of the prerequisites for lending such as assets or ownership of property.<sup>[11]</sup> Without access to capital or household decision making abilities women lack the resources that are necessary for their labour stability and stability of their households.<sup>[9]</sup>

Without access to support from banks, and cooperative societies, women are excluded from information that would make their production more competitive in the agricultural markets.<sup>[12]</sup> The traditional systematic denial of women as key producers in India's agriculture causes them to often be overlooked in research, thus further entrenching the exclusion of women in roles of agency.

Similar inequalities are evident in price realisation where in view of unequal access to formal markets, women often realise less price for their produce than their men counterparts. One of the key reasons behind this is the disparity in access to catalytic technologies. Take the example of digital technologies that are increasingly becoming essential to connect farmers to markets. Mobile phones, for example, are becoming a very important tool in farming- to buy, sell, report, debate, transfer money, claim insurance. However, across low- and middle-income countries, women are 10 per cent less likely to own a mobile phone than men, and 313 million fewer women than men use mobile internet.

This inequality comes with a social and economic cost. Research has consistently shown that inequity in access to resources impacts both the economic well-being of women farmers as well as overall agricultural output of the country. The Food and Agriculture Organisation of the United Nations estimates that if women were to have the same access to productive resources as men, they would increase the yields on their farms by 20-30 per cent and this would end up adding at least 2.5-4 per cent to the total agricultural output in developing countries.

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<sup>102</sup> Centre for Trade and Development and Heinrich Boell Foundation. "EU FTA and the Likely Impact on Indian Women

<sup>103</sup> Women Empowerment (SAFE) - Roshni Sanstha

**Self-Help Groups, Producer Organisations and Cooperatives are Proven Models for Inclusion and Empowerment of Rural Women:** Increasing the participation of rural women in the Indian economy is critical for the overall development and prosperity of the country. It is not enough to address the barriers that prevent rural women from participating in the formal economy. It is also critical to promote access to education, skills development, financial literacy, and entrepreneurship supports for women. Arguably the most successful models for this is through the Self Help Groups (SHGs) set up under the DAY-NRLM and focussed on promoting organisation of and self-employment of rural women. In financial year 2022, SHG savings with banks in India were approximately INR 472 billion, and loans of approximately INR 1510 billion. With scale across the country, SHGs form the platform on which all economic inclusion programs for rural women are set up at scale.

For example, the recent thrust by the government on aggregation through Farmer Producer Organisations (FPOs) is an impactful mechanism for addressing some of these fundamental challenges of lack of agency, price inequalities and women's participation in production and market systems. Legally registered as a collective of farmers, and often built around SHGs, FPOs are formed by collectivising a set of farmers with an objective of enhancing their incomes and providing better economies of scale. Over the years, FPOs have shown the potential to create value across different post-harvest phases, including harvesting, primary processing, storage, secondary processing, and market linkages. There has also been increasing evidence that FPOs have been effective in driving enhanced market access, bargaining power, collective agency, and decreased transaction costs for women farmers. In Bihar, for example, the JEEViKA programme - has mobilised over 200,000 women small-farmers into commodity-based FPOs. These FPOs have achieved significantly higher turnover and successfully marketed grains, fruits and vegetables. Farmer level returns, in some cases, have gone up by 20-30 per cent. The success of the FPO model and the success stories of women owned and managed FPOs are beginning to emerge as a very positive trend.

Cooperatives have been long seen as a social institution providing partnership, solidarity, and resources to women farmers as well as tackle gender inequality. Yet female participation in cooperatives is still relatively low and some argue because men are still seen as primarily in charge of agriculture and income generation. Only 7.5 per cent of women participate in cooperatives as compared to 92.5 per cent of men. Women-only cooperatives, which include cooperative banks, stores, food vendors, have been exceedingly successful and provided a whole range of services to their members. In India, with a view to involve women in the process of decision-making in local self-governing bodies including cooperatives, a 33 per cent representation has been instituted and in a number of states all boards of directors have women serving on them.

As evidenced above, empowering the rural women workforce can bring paradigm shift towards economic growth – hence, a gender specific and gender sensitive approach in terms of adaptation of best practices in agriculture, addressing structural inequalities is essential to realise the immense potential of women farmers. The goal of doubling farmers' income can be achieved by a capable and skilled women workforce. Empowerment of women workforce in agriculture, by ensuring equal access and opportunity will lead to a foundational transformation in India's rural economy, improving lives of millions. Given below are a few critical areas of focus to realise this vision:

- **Early and equitable access to healthcare and education:** Early access to education and health services is critical to the capabilities and self-actualisation of girls. The attainment of these necessary life structures is determined by cultural norms as well as the economic standing of the family. Despite constituting a significant portion of the rural population and being the backbone of agricultural and rural livelihoods, rural women face numerous challenges in terms of access to education, healthcare, and financial resources.
- **Addressing social norms and cultural practices:** An important aspect in promoting the inclusion of rural women in the economy is to address the social norms and cultural practices that perpetuate gender-based discrimination and limit women's mobility and participation in the workforce. This can be done through community-led interventions and education programs aimed at changing attitudes and behaviours. Additionally, the government can play a role by implementing policies and programs aimed at promoting

gender equality and women's empowerment, such as the Beti Bachao Beti Padhao scheme, which aims to change the narrative of the status of girls and women in India.

- **Access to safe, fair, and dignified working conditions:** It is also important to ensure that rural women have access to safe and secure working conditions, as well as fair and equal treatment in their place of work. This can be achieved through the implementation of labour laws and policies that protect women's rights and provide equal opportunities, as well as through increased labour inspection and enforcement mechanisms. Moreover, promoting entrepreneurship and the development of rural women-led businesses can also create new opportunities for women to participate in the economy and contribute to their communities.
- **Enabling Women Farmers to Adapt to Climate Change:** An added consideration will have to be climate change and woman's ability to adapt. Changes in climatic conditions and uncertainties due to it has begun to adversely impact agricultural production systems globally. India's agricultural sector is not immune to it and will be affected especially in view of the dependence on natural resources and weather conditions defined by monsoon season. Small holder agriculture producers in general and women producers in particular will especially have a shorter side of the stick in dealing with the volatilities. This calls for a more augmented approach for making women farmers better equipped to adapt and manage their livelihoods through agriculture. India's commitments at COP 26 highlights it's leadership role in exploring the potential held by agriculture and agriculturists- the farmers. As several of the country's climate mitigation and adaptation strategies include women farmers as an important stakeholder, state level implementation and inclusion of all--land holder and landless--will be important.

## INCLUSION OF PERSONS WITH DISABILITY IN THE WORKFORCE

**Persons with Disability and Concentration in Rural India:** According to the 2011 Census of India, the total number of PwD in India is ~26.8M, about 2.2 per cent of the country's population. This covers diverse forms of disabilities as defined by the Census Commissioner and includes blindness, deafness, neuro-motor disabilities, mental disorders, leprosy induced disabilities, etc. Of this total, ~70 per cent of PwD live in rural India. This number is likely an undercount as many people with disabilities, particularly those living in rural areas, are often not counted in official statistics.<sup>104</sup> Those living with disabilities are often excluded from both the formal and informal economy, resulting in difficulties creating and sustaining livelihoods for themselves and their families.

**Barriers to Entry in the Workforce:** One of the major barriers for people with disabilities in rural India is the lack of accessible physical infrastructure, such as buildings, transportation, and communication systems. This makes it difficult for people with disabilities to access the resources and services they need to participate in the economy. For example, if a person with a mobility impairment cannot access a building or workplace, they are unable to work there, regardless of their skills and abilities.<sup>105</sup> On farm and other physical labour is an even larger challenge, but what most persons with disability are relegated to, given the barriers to entry into formal or desk work.

Another large barrier is the negative attitudes and stereotypes that people with disabilities face in rural India. These attitudes often result in social exclusion and discrimination, which limits their opportunities for employment and participation in the economy. This can also prevent employers from hiring people with disabilities, perpetuating the cycle of exclusion and poverty.

While it is clear that rural India is home to a large majority of PwD, government and NGOs working in this space often direct their activities towards urban centres, with little research being conducted in rural communities where the incidence of disability is greatest.

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<sup>104</sup> 2011 Census of India

<sup>105</sup> UNDP India: Multi State Socio Economic Study Of Disabilities In India



**Addressing these Barriers:** In the years to come, the number of disabled people in India is expected to rise sharply as age related disabilities grow and traffic accidents increase.<sup>106</sup> Thus, in order to address these barriers and promote the economic inclusion of people with disabilities in rural India, there is a need for policies and programs that support PwD via education and training, accessibility, and the inclusion of people with disabilities in the workforce. Some PwD may require access to specific measures, support services, assistive technologies, or training. In the process of designing such initiatives, involving the persons with disability is integral as they can give insight into their problems and suggest possible solution. Such initiatives can help people with disabilities participate in the economy, as well as the development of accessible infrastructure and transportation systems.

To ensure economic inclusion, there is also a need for changing attitudes towards people with disabilities in rural India, through education and awareness-raising efforts. This can help to dispel negative stereotypes and create a more inclusive and supportive environment for people with disabilities to participate in the economy.

### **Key Government Programmes and Action:**

In December 2015, the Prime Minister of India launched the Accessible India Campaign or the Sugamya Bharat Abhiyan to serve as a tool to actualise the provisions of ‘accessibility’ mentioned under the Rights for Persons with Disabilities Act, 2016 (RPwD Act). The campaign aims at creating a barrier free environment for PwD across the three components of build-up environment, the transportation system and ICT system by creating tangible assets of accessible infrastructure through guided change in the society towards standardised, organic, and intentional development of accessible facilities and services.

The campaign identifies the core principles to achieve this mission as follows:

- Universal design (the design of products, environments, programmes, and services usable by all, to the greatest extent possible, without the need for adaptation or specialised design, applicable to assistive devices and advanced technologies)
- Reasonable Accommodation (Necessary and appropriate modifications and adjustments, without imposing a disproportionate or undue burden in a particular case, to ensure to PwDs the enjoyment or exercise of rights equally with others)

As seen above, this is a tremendous step towards the inclusion of PwDs in the mainstream. However, a critical gap is focussed action towards economic inclusion including training and accessibility at the workplace in farm and non-farm sectors.

To address this, the Ministry of Rural Development has created provisions for PwDs in critical livelihoods and employment schemes including MGNREGA, DAY-NRLM, and DDUGKY. The Ministry of Skill Development and Entrepreneurship has provisioned for the training of differently abled candidates under the PMKVY programme of Skill India Mission. There is also an exclusive Sector Skill Council for differently abled (Skill Council for PwD - SCPwD) for catering to the needs of the differently abled candidates and run training in PwD-friendly training centres.

The Department of Empowerment of Persons with Disabilities (DEPwD) (Divyangjan), Ministry of Social Justice and Empowerment implements a “National Action Plan (NAP) for Skill Development of PwDs” which was launched in March 2015 to provide skill training to PwDs for enabling them to become self-reliant and productive members of the society and to integrate them with the mainstream of the society.

**The Road to Economic Inclusion - Beyond Policy, Training, and Access:** The above policies and programmes form a strong foundation for dignified inclusion of PwDs in mainstream economic activity. With DEI becoming a corporate focus area over the past few years, many success stories are emerging in pockets – some examples with notable scale include:

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<sup>106</sup> World Bank: People with Disabilities in India, From Commitment to Outcomes

- EnAble India<sup>107</sup>: EnAble India helps people with disabilities become economically independent and financially productive by offering them work-related experience, preparing them for industry and providing them with networks and contacts as well as important workplace skills in addition. The organisation has built an Indian ecosystem of skilling, employment, and entrepreneurship for persons with disabilities through technology innovations, breakthroughs in skill training, new workplace solutions and behaviour change tools. With impact to thousands of livelihoods across 19 disability types, this has resulted in a shift in narratives for persons with disability as valuable members of society, active citizens, taxpayers, change makers and more. This has been possible due to behaviour and process innovations, innovative employability (named SPICE framework) and technology innovations which are "workplace solutions". This has enabled disabled persons to work competitively in open labour markets. They are pioneering new work models for the future of work that are friendly for vulnerable populations such as persons with disability.
- The Lemon Tree Group of Hotels<sup>108</sup>: The hotel chain employs people across all marginalised segments of Indian society, including people with intellectual or physical disabilities, transgender, widows ostracised by their communities, and survivors of acid attacks. In fact, 20 per cent of the company's employees come from marginalised groups. They have disabled employees in all hotels and across all departments – from front office and food and beverage to the engineering and finance departments. Their 7 Pillar Model ensures there is job mapping, training, employee sensitisation and other critical elements that ensure that PwD employees have a dignified and sustainable avenue of work, and quality of service is enhanced for consumers.
- The National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida, an autonomous Entrepreneurship Development Institute under MSDE has conducted various training programmes covering nearly 2000 differently abled candidates between 2017-22

Beyond doing good, there also is a clear business case for inclusion of PwDs in the mainstream. For example, The Lemon Tree Group of Hotels have widened their talent pool by hiring people with disability. The company has also found that people with special needs can be more creative. They've had to negotiate life and overcome hurdles, so they tend to be more solution-oriented than other people. And if people with disability use these skills in the workplace, they might observe patterns and customer needs that people without disability cannot see. For example, deaf employees have highly attuned observational skills. They notice small movements, so in a busy cafe setting, they may be more attentive to customers' needs. A person who is autistic can see a pattern that none of us can see, which lends itself well to complex processes and data analysis. To top it off, the company has discovered that team members without disability learn from employees with disability – they give them a new frame of reference. From the brand perspective, Customers who have heard of the inclusion program often try the hotels/brand because they want to see how such a hotel works. Once they stay at the hotel and experience the high quality service, they become brand ambassadors.

**Critically, while the hotel industry benchmark of attrition is 40-50 per cent, for Lemon Tree's Employees with Disability, this is almost half that percentage.**

The above programs are largely urban and focussed on formal employment. However, it is also essential to look at safe and dignified inclusion of PwDs in the informal economy – in cities, but also in agriculture and allied activities such that PwDs in rural areas are able to access economic opportunity close to their homes without migrating away from home.

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<sup>107</sup> EnAble India

<sup>108</sup> Lemon Tree DEI Program

One such noteworthy program is that of CBM India<sup>109</sup> - a Non Profit empanelled by the Government of India for the Accessible India Campaign.

CBM India has initiated various projects to support persons with disabilities, to help them become contributing members of society. They develop and execute locally relevant on-farm, off-farm, and non-farm livelihood systems. These programmes are unique in their approach; not just through value addition, positive environmental impacts, and sustainable livelihood system, but persons with disabilities enter into leadership and decision-making roles; they become entrepreneurs in their communities. It brings together persons with and without disabilities working as one inclusive team. Local solutions are developed to help farmers and entrepreneurs replicate the idea further. Persons with disabilities become change-makers, contributing to the community in a genuinely empowering model. They build sustainable, inclusive community organisations (such as Organisations of Persons with Disabilities (OPDs), Inclusive Self-help Groups (ISHGs), Inclusive Farmer Producer Organisations (IFPOs), and Inclusive cooperatives.

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<sup>109</sup> CBM India – Inclusive Livelihoods

## Conclusion

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## Conclusion:

India is at a critical and exciting point in time, with our young population and steady economic growth. Current macroeconomic and demographic trends, with a rapidly growing population and a job growth too slow to accommodate millions of new labour market entrants each year, suggest that this issue will only become more pressing in the coming decade. As we face a formidable youth employment challenge which is particularly acute in rural areas, it is critical that we come together and join forces to address this challenge, so that young people can participate in and drive our growth story.

However, there is no single solution to address youth unemployment. Multiple and coordinated interventions are required to unlock the full potential of our youth. On the demand side, conditions must be created to boost rural economic activity through livelihood development, support for rural entrepreneurship and investment into high-growth SMEs that can create jobs locally. On the supply side, the structure, quality, and delivery of skilling programs must be transformed to increase young people's access to adequate skills and to sharpen the focus on placement and retention in the workforce. The district is a handy unit for these shifts. Targeted and hyper-local solutioning when applied at the district level can be scaled across all districts across the country.

When there is enough economic activity at the district to absorb youth into the local labour force, the need for distress migration is mitigated, and young people have the opportunity for dignified work without having to leave their homes, families, and communities behind in search for work. When these shifts are made until a saturation or inflection point at which there enough economic activity and opportunity at the district for all youth there at scale, these shifts start becoming sustainable.

However, these shifts cannot be achieved in isolation. To succeed at scale, youth employment stakeholders and the youth themselves must come together at the district level to develop a common vision and strategy centred around youth agency and well-being for their community. It is only through the comprehensive mapping of gaps and opportunities, identification of systemic barriers, coordination of interventions and sharing of data and learnings that a successful approach to youth employment can be implemented at scale. Keeping in mind the size of the challenge, it is necessary to identify and shift key **systems** of training, employment, and inclusion that unlock opportunities for millions of rural youth.

This paper has presented some promising solutions to achieve these goals. We hope that the early lessons from the Global Opportunity Youth Network presented here will shed light on the potential of this approach and encourage stakeholders in the youth employment ecosystem to join forces and embark on the same journey, powered by youth voice and driven by the same vision - to give every young person the chance to build a bright future.

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