

Pathways up the Pyramid

From Being Unemployed to Becoming a Deci Entrepreneur



March 2024



RAJIV GANDHI
INSTITUTE FOR CONTEMPORARY STUDIES

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Guide: Mr Vijay Mahajan

Rajiv Gandhi Institute for Contemporary Studies (RGICS)
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1 Pathways from Unemployment to Employment in India

This research study aims to provide a field based view of the different pathways that the unemployed youth of India adopt to move from being unemployed to becoming gainfully employed. The pathway has several stops, sometimes full-stops, on the way – working as casual wage labourers, working as self-employed individuals, or joining the new category of “gig workers”, that is those who are engaged in work outside of the traditional employer–employee arrangement, or to become individual “Deci” micro-entrepreneurs, that is those who employ at least 10 others.



[Source: Image](#)

1.1 Magnitude of those on the Pathway

Every year, about eight million new job seekers enter the job market in India. In addition, to there is the back log of the unemployed. Thus to ensure near full employment in the economy, India needs to create at least 10–12 million new jobs every year. Yet, in 2017–18, when the economy had not yet been hit by COVID-19, only 5.5 million jobs were created, and this situation has been deteriorating.

The scale of youth unemployment in India is staggering. According to recent data¹ from the International Labour Organization (ILO), India has one of the largest youth populations in the world, with approximately 356 million individuals aged between 15 and 29 years. However, this demographic advantage can quickly turn into a liability if adequate measures are not taken in time.

Currently, India faces a severe youth unemployment crisis. The overall unemployment rate among youth is alarmingly high, with an estimated 17.5% of young people actively seeking employment and unable to find suitable opportunities.² This represents a significant loss of human potential and economic productivity for the nation.

The Periodic Labour Force Survey (PLFS), 2019-20³ conducted by the Ministry of Statistics and Programme Implementation provides valuable insights into the regional disparities in youth unemployment. Data from the PLFS 2019-20 indicates that the unemployment rate among urban youth in India was 20.6%, significantly higher than the overall urban unemployment rate of 9.9%.

This highlights the challenges faced by young people in accessing job opportunities, particularly in urban areas. This disparity may be attributed to factors such as limited job creation in urban areas and the concentration of opportunities in specific sectors. The magnitude of youth unemployment in India demands immediate attention and action. Failure to address this issue will not only impede individual aspirations and economic progress but also have far-reaching consequences for social cohesion and stability.

Currently, the unemployment rate is at its highest point in 45 years. This crisis has hit the Indian youth the hardest, with the unemployment rate soaring to 34 percent among those aged 20-24 in the first quarter of 2019. In urban areas, it reached a staggering 37.9 percent, according to the CMIE.

1.2 Informal Employment Conceptual Framework

Production units by type	Jobs by status in employment								
	Own-account workers		Employers		Contributing family workers	Employees		Members of producers' cooperatives	
	Informal	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal
Formal sector enterprises					1	2			
Informal sector enterprises (a)	3		4		5	6	7	8	
Households(b)	9					10			

⁴ From the Annual Report: PLFS, 2020-21

¹ International Labour Organization (ILO). (n.d.). Global Employment Trends for Youth 2020. Retrieved from <https://www.ilo.org/global/research/global-reports/global-employment-trends/youth/2020/lang--en/index.htm>

² Centre for Monitoring Indian Economy (CMIE). (n.d.). Unemployment Rate in India. Retrieved from <https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=2022-01-25%2015:32:40&msec=628>

³ Ministry of Statistics and Programme Implementation. (2020). Periodic Labour Force Survey (PLFS), 2019-20. Retrieved from [http://mospi.nic.in/sites/default/files/publication_reports/Annual%20Report%20of%20PLFS%20\(2019-20\)_25march2021.pdf](http://mospi.nic.in/sites/default/files/publication_reports/Annual%20Report%20of%20PLFS%20(2019-20)_25march2021.pdf)

⁴ Guidelines concerning a statistical definition of informal employment, endorsed by the Seventeenth International Conference of Labour Statisticians (November-December 2003)

Notes for the diagram above: (a) as defined by the Fifteenth International Conference of Labour Statisticians (excluding households employing paid domestic workers). (b) Households producing goods exclusively for their own final use and households employing paid domestic workers. Cells shaded in dark grey refer to jobs, which, by definition, do not exist in the type of production unit in question. Cells shaded in light grey refer to formal jobs. Un-shaded cells represent the various types of informal jobs. Informal employment: Cells 1 to 6 and 8 to 10. Employment in the informal sector: Cells 3 to 8. Informal employment outside the informal sector: Cells 1, 2, 9 and 10.

1.3 Inter-sectoral changes in employment



[Source: Image](#)

Prof Mahendra Dev (2024)⁵ gives a good overview of the structural transformation in employment over time.

"The historical experience of different countries shows structural transformation from agriculture to industry and services in terms of changes in the composition of output and employment. In India the share of agriculture in employment declined from 73.9% in 1972-73 to 45.8% in 2022-23– a substantial decline of 28 percentage points, although it is still high.

The share of the industry rose from 11% to 25% in five decades. This increase was mainly due to an increase in the share of construction. The share of manufacturing increased initially from 8.9% in 1972-73 to 10.5% in 1993-94.

Subsequently, it was between 11.2% and 12.8% during 1993-94 to 2022-23. It shows that there was hardly any increase in the share of manufacturing in employment in the last three decades. The share of construction in employment was 2 percentage points higher than that of manufacturing in 2022- 23.

⁵ S. Mahendra Dev (2024) Regional Dimensions in India: Economic Growth, Inclusive and Sustainable Development. Presidential Address At the 58th Annual Conference of the Indian Econometric Society (TIES), Tripura University, Agartala, February 22-24

In contrast to the share of manufacturing, the share of services in employment increased significantly from 14.8% in 1972-73 to 29.0% in 2022-23 – an increase of 14 percentage points over 50 years. Within services, the share of trade, hotels and restaurants rose faster than other services.

Their share increased from 5% in 1972-73 to 12% in 2022-23. These jobs are mostly in the informal sector. Similarly, the share of transport and communications rose from 1.8% to 5.4% during the same period. The high-value financing, real estate and business services absorbed only around 2.7% of the workforce in 2022-23.

Structural transformation in terms of employment shows that the decline in agriculture is absorbed by construction and services in the informal sector like trade, hotels, and restaurants. The share of the non-farm sector in rural areas has increased over time."

1.4 The Pyramid of Employment

The Indian informal sector offers a number of pathways for the unemployed to get employed. The initial entry can be as a casual wage labourer undertaking unskilled work since most are unskilled.

The pyramid of opportunities has a wide base of the unskilled unemployed and a narrow top of skilled salaried workers and professionals in government or organised private sector jobs, and established micro, small and medium entrepreneurs.



1.4.1 The Unemployed

According to the Periodic Labour Force Survey (PLFS) conducted by the Ministry of Statistics and Programme Implementation, India had approximately 28.6 million unemployed youth in 2020.⁶ They all need to look for work and their first preference is a regular salaried government job or at least a secure job in a private company.

However, this is hugely competitive and thus the main fallback is either casual work, on daily wages or in a few cases on a monthly salary. Many are engaged in social or political work, as casual workers, when called for. There is a disturbing tendency for some of the unemployed to get engaged in semi-criminal activities such as petty thefts, drug peddling, smuggling and armed offences, as well. In some regions, terrorist or insurgent groups also recruit unemployed youth. No authoritative numbers are available.

1.4.2 Wage Labourers

Casual wage labour accounted for approximately 24% of the urban workforce and 56% of the rural workforce in 2019-2020.⁷ Casual work in rural areas is mostly in seasonal agricultural operations, and to some extent in earth work and construction. In urban areas it is manual work in manufacturing micro-enterprises, construction, loading/unloading, hotels and restaurants and services.

As casual work by definition is not regular, on the days, weeks or months that casual work is not available, many become self-employed workers. Many of the wage labourers remain “unskilled” all their working lives with their experiential learning being recognised only by long term employers, who continue to offer low wages, and with limited possibilities of moving out to other employment.⁸



[Source: Image](#)

⁶ Ministry of Statistics and Programme Implementation. (2021). Annual Report on the Working of the State Labour Bureau 2020.

⁷ National Sample Survey Office. (2018). Key Indicators of Unincorporated Non-agricultural Enterprises (Excluding Construction) in India, 2015-16. Retrieved from http://www.mospi.gov.in/sites/default/files/publication_reports/533_Final.pdf

⁸ According to the Periodic Labour Force Survey (PLFS) 2017-18, only a meager 1.8 percent of the population stated that they had received formal vocational or technical training during that year. Additionally, 5.6 percent reported having received informal vocational training, which includes methods like learning from family members, self-study, or on-the-job training.

1.4.3 Self Employed Individuals

The technical term for this is "own account entrepreneurs", that is those individuals who run a micro-enterprise on their own, at best with some family workers, but do not employ any hired worker. They include street vendors, hawkers, cooked food vendors, artisans and small-scale producers. The Ministry of Housing and Urban Affairs estimated that there were approximately 10 million street vendors in India.⁹ Supporting their livelihoods through policy interventions, infrastructure development, and access to markets is vital for their economic empowerment. However, we must not rely on this segment to generate jobs for others.

1.4.4 Gig Workers

NITI Aayog defines 'gig workers' as those engaged in work outside of the traditional employer-employee arrangement. In 2020–21, the gig economy was estimated to employ 7.7 million workers, with a projected workforce of 23.5 million by 2029–30.¹⁰ Gig workers have witnessed remarkable growth in recent years, driven by the rise of digital platforms and the sharing economy. They provide services on a flexible basis, ranging from ride-hailing and food delivery to freelance work in sectors like IT and creative industries.

1.4.5 Regular workers and salaried employees

For those who want employment, the coveted top is a regular, salaried job in government, a public sector enterprise or a well-established private company. But as we know these are less than 7% of the total persons employed, including about half of those in the government and public enterprises, including the railways and the armed forces. These jobs are coveted because they offer higher salaries (government school teachers earn three times the national average per capita income) and benefits of health care and pensions.

1.4.6 The Self-employed - from Micro to Deci entrepreneurs

Self-employed micro-entrepreneurs form a crucial part of the informal economy as they generate employment not only for themselves but also for others. They operate small businesses or offer professional services with relatively limited amounts of capital. As per the Economic Census, 2013 there were 584.9 lakh "establishments" with 1310 lakh persons employed.

A vast majority of these establishments were "own account enterprises", which only employed the proprietor and his/her family members. Many of them are mere subsistence enterprises and do not offer a significantly higher net income than wage work in their area. In terms of size, 95.5% of establishments employed less than 5 persons. About 3% of the larger establishments employed 8 or more persons, and accounted for 22.4% of all persons employed.

⁹ Ministry of Housing and Urban Affairs. (2021). About PM SVANidhi. Retrieved from <https://pmsvanidhi.mohua.gov.in/about-pm-svanidhi>

¹⁰ ["Despite rise in gig economy, women's participation still less than 30%". India Today](#)

Statement No. 2.2: Distribution of Enterprises Category Wise

(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

The above table is from the report of the Ministry of Micro, Small, and Medium Enterprises.¹¹ It also reported that MSMEs employed over 1109.89 lakh people in 2023. Of this, the Micro enterprises numbering 630.52 lakh provided employment to 1076.19 lakh persons or around 97% of total MSME employment. Small enterprises numbering 3.31 lakh and Medium enterprises numbering 0.05 lakh provided employment to 31.95 lakh (2.88%) and 1.75 lakh (0.16%) persons, accounting for of total employment in MSME sector, respectively.

As can be seen 0.55% of all MSMEs, which were small and medium in size, employed about 3% of all workers employed in MSMEs. Whether we look at the Economic Census data or the MSME 2023 data, we find that the very few larger enterprises employ at least ten persons.

Mr Vijay Mahajan, who has guided this study, calls such enterprises Deci (for 10, pronounced desi) enterprises as there are promising for generating employment. These should be targeted by policy and incentives.

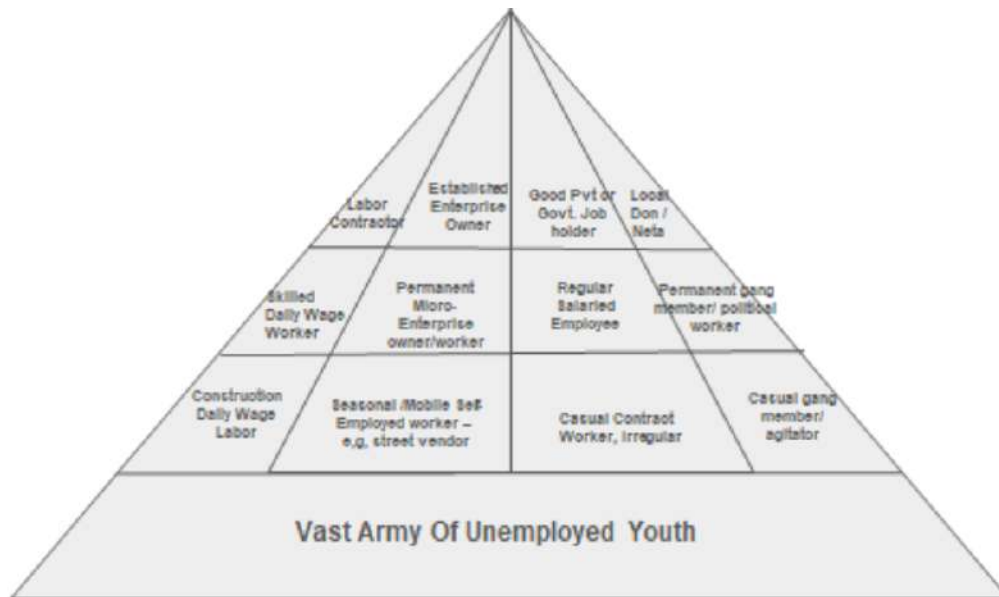


Source: Image

¹¹ Ministry of Micro, Small and Medium Enterprises (MSME). (2024). Annual Report 2022-23. Retrieved from <https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>

1.5 Pathways up the Pyramid

There are numerous pathways for going up this arduous pyramid which is depicted in the diagram below:



In the diagram above, there are four pathways, from bottom to the top. Of these, the ones on the extreme left and the extreme right are the informal sectors and the two in the middle are in the formal sector, the difference being on the nature of employment – self-employment vs wage or salaried employment.

Given the importance of the informal sector in India which employs anywhere about 93% of the workforce, we have delved into it in some detail and found a disturbing trend – the pressure of unemployment was causing a number of youth to adopt semi-criminal types of work opportunities. These varied from just joining quasi-political agitations to becoming election workers for political parties; from becoming casual errand runners for criminals in the area, and eventually regular gang members.

We could not get any authoritative numbers on these anywhere nor were we able to profile many of the persons we met in this category. Nevertheless, it is proving to be an important pathway for employment and is feeding into both illegal business activities like bootlegging, drug-peddling and smuggling, as also in the criminalization of politics and elections.



[Source: Image](#)

2 The Pathways up the Pyramid Study

2.1 Objectives of the Study

The unemployed take a number of pathways to move from being unskilled, unemployed to finding gainful employment. Understanding these pathways will be helpful for policymakers to plan interventions to enhance employment for the youth across India.

This research study aims to provide insights into the challenges faced and the opportunities available along the pathway, and suggest policy measures to promote employment and improve the overall well-being of individuals engaged in the informal economy.

Based on field studies of the employment pathways adopted by various persons covering the spectrum from unemployed youth, to wage labourers, gig workers, self-employed individuals, and micro to Deci entrepreneurs, the study aims to achieve the following objectives:

- **Identify the characteristics, challenges, and opportunities faced by different segments of the unemployed youth and those working:** The research study will delve into the unique circumstances and dynamics of each segment within the informal economy. It will examine the specific challenges faced by unemployed youth, wage labourers, self-employed individuals, gig workers and entrepreneurs. Additionally, it will explore the opportunities available to these segments and the potential for sustainable livelihoods.
- **Understand the working conditions and well-being of workers in the different segments of the informal economy:** The research study will examine the working conditions experienced by individuals engaged in the informal economy, including factors such as job insecurity, long working hours, lack of social benefits, and occupational hazards. It will also investigate the impact of these working conditions on the well-being of participants, including physical and mental health, job satisfaction, and overall quality of life.
- **Identify actionable recommendations for enhancing working conditions and opportunities:** Based on the findings of the research, the study will provide actionable recommendations for stakeholders, including policymakers, organizations, and individuals, to improve the working conditions and livelihood opportunities within the informal economy. These recommendations will focus on fostering inclusive growth, promoting formalization, enhancing access to social protection, facilitating skill development, and enabling entrepreneurship.
- **Facilitate policy interventions and programs to support Deci entrepreneurs – those who can create jobs for at least 10 others:** Too much money has been spent in supporting individual micro-enterprises but they do not generate employment for other than self and at best part-time for a family member. This study aims to design policy interventions and programs to support the upper end of micro-enterprises, which we call Deci enterprises, for they are the ones who generate employment which is the biggest need of the Indian economy today.

2.2 Methodology of the Study

To gain insights into the pathways for employment in India, this study employed a mixed-method approach that included group discussions and face-to-face discussions with participants, including both key stakeholders and unemployed youth.



[Source: Image](#)

a.) Group Discussions:

Group discussions were conducted with diverse groups of participants, including representatives from educational institutions, industry professionals, policymakers, and experts in the field of employment and skill development, and unemployed youth. These discussions aimed to gather multiple perspectives and opinions on the topic.

- The group discussions provided a platform for participants to share their experiences, insights, and challenges related to youth unemployment in India.
- Participants engaged in interactive sessions where they discussed the factors they perceived as significant contributors to youth unemployment.
- Topics explored during the group discussions included educational and skill development gaps, job market dynamics, industry demands, access to opportunities, and potential barriers faced by youth in securing employment.

a.) Face-to-face Discussions:

Face-to-face discussions were conducted with selected participants, including unemployed youth, who have direct experience of the challenges and realities of unemployment. These discussions involved one-on-one interactions and interviews to gain a deeper understanding of their perspectives and experiences.

- The face-to-face discussions focused on gathering detailed information and insights from key stakeholders, including government officials, industry leaders, vocational training providers, and social entrepreneurs.
- The face-to-face discussions with unemployed youth aimed to capture their personal stories, aspirations, difficulties faced during job searches, and the impact of unemployment on their lives.
- Participants were given the opportunity to share their insights on the factors they believe contribute to the unemployment and provide suggestions for interventions that could help improve the employment prospects.
- These discussions were conducted in a supportive and empathetic environment to ensure that participants felt comfortable sharing their experiences openly.

It is important to acknowledge that while the discussions with unemployed youth provided valuable firsthand perspectives, the findings are based on a limited number of participants and may not represent the entire population of unemployed youth in India. Therefore, additional research and data analysis are necessary to further validate and generalize the findings.

2.1.1 Sample

The study sample consisted of unemployed youths from various parts of India who were actively seeking employment or preparing for government jobs, as well as officials from the employment exchange offices in Jhansi, Gwalior, Moradabad, and Morena. The sample included a total of 30 unemployed youths and 10 government officials, selected to ensure diversity in terms of geographic locations, educational backgrounds, and job aspirations.

The 30 unemployed youths were selected through a purposive sampling method, considering individuals from different regions across India. Efforts were made to include participants from both urban and rural areas to capture a range of experiences and perspectives. The unemployed youths were either actively searching for a job or engaged in preparations for government job examinations.

Additionally, 10 government officials from the employment exchange offices in Jhansi, Gwalior, Moradabad, and Morena were included in the sample. These officials were chosen based on their expertise in employment services and their knowledge of the local employment landscape. Their insights were sought to gain a deeper understanding of the existing policies, programs, and challenges faced by the government in addressing youth unemployment.

The unemployed youths and government officials were engaged in group discussions and face-to-face discussions respectively, which provided a platform for open dialogue and sharing of experiences.

The group discussions with unemployed youths enabled them to express their perspectives, challenges, and aspirations regarding employment in India.

On the other hand, face-to-face discussions with government officials allowed for insights into the government's efforts, policies, and programs aimed at addressing youth unemployment.

The data collected from these discussions, including the experiences and viewpoints of unemployed youths and the insights of government officials, formed the foundation of the study's analysis and recommendations.

It is important to note that while efforts were made to ensure diversity in the sample, the findings and recommendations should be interpreted with caution, as they may not be fully representative of the entire population of unemployed youths or government officials in India.

Overall, the combination of unemployed youths and government officials in the sample provided a comprehensive understanding of the factors contributing to youth unemployment in India and potential interventions to address this pressing issue.

Case Study 1: Unemployed Youth: Praveen Kumar Singh, Town: Gwalior

Age: 26 years, Education: Graduate, Family Background: Lower Middle Class, Annual Income: 3 - 5 Lakhs

Praveen Kumar Singh, a determined 26-year-old from Gwalior with a modest background. His family faces financial challenges due to his father's illness. Praveen is currently pursuing a diploma program, driven by his desire to help his family, cover his diploma fees, and manage daily expenses.

Recently, Praveen started offering social media management and website development services to startups. In his first month, he earned 5000 rupees, and he's steadily growing from there. Praveen's dreams go beyond freelancing. He's determined to complete his diploma in AI and data science, aiming for a job in a top multinational corporation.

What's remarkable is Praveen's love for learning. He avidly watches YouTube tutorials and follows mentors who offer free career advice. He's proof that there's a wealth of free knowledge and skill development programs available for young people looking to enhance their skills and careers.

In Praveen's story, we find determination, growth, and the pursuit of dreams despite life's challenges.

Case Study 2 Unemployed Youth: Aditya Saxena, Town: Thakurdwara , UP.

Age: 25 years, Education: Graduate Family Background: Middle Class, Annual Income: 7 – 10 Lakhs

Aditya currently finds himself unemployed and appears to lack a clear sense of direction in his life. His daily routine primarily consists of playing PUBG and spending time on social media, indicative of a lack of motivation or structured purpose. Financially, Aditya relies heavily on his father for his basic needs, suggesting a degree of dependency on parental support.

When probed about his future plans, Aditya's responses were marked by uncertainty and a notable absence of enthusiasm for self-improvement. He displayed little interest in acquiring new skills or pursuing certifications that could enhance his employability.

It's worth noting that there are numerous opportunities for skill development available both through government-sponsored programs under the Skill India Mission and private players like coaching institutes, which have demonstrated remarkable results. Interestingly, many of Aditya's friends have successfully secured positions in various government departments, such as SSC Steno, ITBP, Army, and excise, as well as private sector jobs in nearby factories in Kashipur and Rudrapur, by taking advantage of these skill development options.

Despite being aware of the availability of job opportunities and skill development programs, Aditya appears reluctant to step out of his comfort zone, indicating a potential resistance to change or risk-taking.

In summary, Aditya Saxena's interview reveals a pressing need for self-motivation and career development guidance. His situation underscores the importance of transitioning from a state of aimlessness and dependency towards a more purposeful and self-sustaining path, with readily available skill development opportunities.



Case Study 3 Unemployed Youth– Kishor Yadav, Town: Ghaziabad

Age: 40 years, Education: Graduate

Family Background: Lower Middle Class

Kishor Yadav, with motor disability in his lower body, faced a tough situation as a job seeker after his layoff during the Covid 19 pandemic despite his college degree and previous experience as a data entry operator. During his unemployment he started feeling himself as a burden on his family and to become self-reliant, he applied for a loan through the Pradhan Mantri Swarojgar Yojana program, and luckily, his application got approved—which is a rare occurrence according to him.

Using the loan, he initiated a small business, vending items like paan, cigarettes, snacks, water, and other essentials from a tricycle. He stationed his business near Vaishali Metro Station, consistently making around 3,000 rupees in daily sales.

However, Kishor encountered issues with the police, who occasionally disrupted street vendors like him. To overcome these obstacles, he took proactive steps. Kishor obtained a street hawker license, formally registering his business. Additionally, he engaged with the Nagar Nigam and metro station staff, resulting in securing a permanent spot near Vaishali Metro Station's entrance. This strategic move allowed him to run his business smoothly, free from disruptions.

Kishor's story underscores the significance of determination, government support, and practical decisions in empowering individuals to overcome adversity and achieve self-sufficiency.

2.3 Findings

Based on the discussions and interviews conducted with unemployed youth and officials from employment exchange offices, the following findings emerged:

- **Clarity about Employment:** Only 8 out of the 30 interviewed youths demonstrated a clear understanding of the type of employment they were seeking or the sector they wanted to work in. The remaining candidates were randomly searching for jobs without a clear career goal.
- **Lack of Specific Skill Training:** Only 6 of the candidates had undergone specific skill training courses and felt confident that these skills would help them find employment in their chosen field.
- **High Expectations and Preferences:** The expectations of the youth regarding job opportunities were high. Many preferred working in private sector jobs with reputed companies, particularly big multinational corporations (MNCs), which they perceived as offering higher salaries and posh office environments.

- **Reliance on Degree:** The majority of the candidates believed that possessing a degree alone was sufficient to secure employment in any company, without the need for specific skill sets.
- **Preference for Government Jobs:** 13 out of the 30 candidates expressed a preference for government jobs, and only 5 of them were actively preparing for government clerical exams.
- **Limited Freelancing Opportunities:** While some participants were open to working as freelancers, they lacked the necessary skill sets required for freelancing.
- **Salary Expectations:** The average expected salary of the youth as fresher candidates was around 30,000 INR, with a desire for Saturday and Sunday as off days.
- **Lack of Motivation:** Lack of motivation, leisure unemployment, and a perceived lack of value for time were observed among the participants.
- **Graduating Youth and Job Shortage Perception:** Many participants believed that there is a high shortage of jobs in the market due to the increasing number of youth graduating each year, leading to persistent unemployment issues in India.
- **Government Policy and Solutions:** Several participants blamed the government for their policies and perceived ineffective handling of the unemployment issue. They suggested that the government should release more job vacancies as a solution.
- **Limited Participation in Job Fairs:** Employment exchange officials reported low participation in job fairs, despite regular calls and reminders.
- **Skill Gap and Training:** According to employment exchange officials, youth lack the necessary skills demanded by employers. When offered training programs, participants showed reluctance to engage in them.
- **High Salary Expectations and Unavailability of Local Jobs:** The youth's high salary expectations often exceed what local employers can offer, contributing to higher unemployment rates.
- **Importance of Skills and Willingness to Learn:** Employment exchange officials highlighted the need for youth to possess specific skills or be willing to learn and accept lower salaries during the training period.
- **Impact of Social Media:** Employment exchange officials expressed concerns about the negative influence of social media, stating that many youths are engrossed in a fantasy world that hampers their job prospects.
- **Time Spent on Social Media and Gaming:** Unemployed youths reported spending significant amounts of time scrolling through Instagram, watching YouTube videos, and playing games such as PUBG and Battle Ground.

2.4 Inferences

Based on the findings from the interviews and discussions with unemployed youth and employment exchange officials, the following inferences can be drawn:

- **Lack of Career Clarity:** A significant number of unemployed youth lack clarity about their career goals and the sectors they wish to work in. This lack of direction can contribute to difficulties in finding suitable employment.
- **Skill Gap and Training:** The majority of unemployed youth do not possess specific skill sets that are in demand in the job market. This skill mismatch hinders their employability and highlights the importance of targeted skill training programs to bridge the gap.
- **High Expectations and Limited Flexibility:** Many unemployed youth have high expectations for job opportunities, preferring positions in reputed companies with attractive salaries and amenities. This preference, coupled with reluctance to compromise on salary or work in certain sectors, limits their options and increases the challenges of finding employment.
- **Government Job Preference:** A substantial number of unemployed youth aspire to secure government jobs due to factors such as job security and benefits. This preference can result in intense competition and limited opportunities in the public sector.
- **Freelancing Challenges:** Although some participants expressed interest in freelancing, the lack of necessary skill sets prevents them from pursuing freelance work. This highlights the need for skill development programs tailored to the requirements of freelancing and self-employment.
- **Unrealistic Salary Expectations:** Unemployed youth often have inflated salary expectations, which may not align with the current market realities. This can lead to job dissatisfaction and prolonged unemployment.
- **Impact of Social Media:** Social media consumption, gaming, and a leisure-oriented lifestyle were common among unemployed youth. This excessive focus on digital entertainment can hinder their productivity and motivation to actively seek employment opportunities.
- **Family Support and Emotional Impact:** Unemployed youth heavily rely on their families for financial support, which can create emotional and psychological distress due to the comparison with friends who have secured jobs. This highlights the need for comprehensive support systems to address the emotional well-being of unemployed youth.
- **Importance of Skills and Learning Attitude:** The findings emphasize the significance of possessing specific skills or a willingness to learn on the part of unemployed youth. Employers are increasingly seeking candidates with relevant skills and a growth mindset.
- **Government Policy and Job Fairs:** The effectiveness of government policies and initiatives in addressing youth unemployment needs improvement. Low participation rates in job fairs despite efforts from employment exchange officials suggest the need for innovative strategies to attract and engage unemployed youth.

3 Gig Workers



[Source: Image](#)

Gig-workers are those who work on a temporary or flexible basis, often for multiple employers, as opposed to working full-time for a single employer. They are also commonly referred to as freelancers, independent contractors, or on-demand workers. With the rise of the gig economy, gig-workers have become an increasingly important part of the workforce, particularly in the tech industry. According to a report by Intuit, gig-workers are expected to comprise 43% of the US workforce by 2020 (*The Intuit report: Crabb, S. (2017)*).¹²

In India, gig-workers already make up a significant portion of the workforce, with a recent study by Nasscom estimating that the gig economy¹³ in India will be worth \$455 billion by 2023, employing around 24 million workers. A study conducted by the Centre for Sustainable Employment at Azim Premji University estimated that over 56 million Indians were engaged in gig work in 2019, accounting for around 5% of the total workforce.¹⁴ Ensuring fair wages, social protection, and access to decent working conditions for gig workers is essential for their economic security.

Many gig-workers work with startups such as Rapido, Zomato, Urban Company, Ola, and Uber, among others. These startups have disrupted traditional industries and have provided new opportunities for individuals to earn a living. However, gig-work also comes with its own set of challenges, such as job insecurity, lack of benefits, and difficulty in building a stable career.

¹² The Gig Economy: Opportunities, Challenges, and Employer Strategies.
(<https://www.intuit.com/content/dam/intuit/intuitcom/company/docs/intuit-gig-economy-whitepaper.pdf>).

¹³ The Nasscom study: National Association of Software and Services Companies. (2019). The Gig Economy – The Future of Employment in India? <https://www.nasscom.in/knowledge-center/publications/gig-economy-future-employment-india>

¹⁴ Centre for Sustainable Employment, Azim Premji University. (2019). State of Working India 2019. Retrieved from <https://cse.azimpremjiuniversity.edu.in/wp-content/uploads/2019/06/SWI-2019.pdf>

Many gig-workers work with startups such as Rapido, Zomato, Urban Company, Ola, and Uber, among others. These startups have disrupted traditional industries and have provided new opportunities for individuals to earn a living. However, gig-work also comes with its own set of challenges, such as job insecurity, lack of benefits, and difficulty in building a stable career.

Therefore, understanding the experiences of gig-workers, including their motivations for entering gig-work, their working conditions, and their financial and personal well-being, is critical to ensuring the success of the gig economy and the well-being of its workers. In this study, we aim to explore these issues in-depth and provide insights into the world of gig-work with startups.

3.1 Objectives of This Section

The objectives of the study, which is on Gig Workers are as follows:

1. To identify the opportunities available for gig-workers in the current market scenario.
2. To assess the challenges faced by gig-workers in their work, including financial, logistical, and legal hurdles.
3. To understand the motivations and preferences of gig-workers in terms of their work, such as job flexibility, income stability, and work-life balance.
4. To examine the impact of the COVID-19 pandemic on the work and income of gig-workers.
5. To explore the current working conditions and work-related issues faced by gig-workers, including safety, social security, and job security.
6. To gather insights on the skills and training required by gig-workers to succeed in their work, including digital literacy and soft skills.
7. To identify the support systems available to gig-workers, such as mentorship, guidance, and financial assistance.
8. To identify the potential areas for innovation and growth in the gig economy in India.



3.2 Literature Review

Literature lists the following constraints usually faced by Gig-Workers:

a.) Lack of job security: One of the biggest challenges faced by gig workers in India is the lack of job security. These workers are classified as independent contractors, which means they are not entitled to any benefits or protections that traditional employees receive. This makes them vulnerable to sudden changes in the market, such as reduced demand for their services or changes in company policies.

For instance, in November 2021, the Delhi government banned¹⁵ bike taxi services offered by Rapido, citing safety concerns. This decision impacted thousands of Rapido gig workers who were left without work overnight.

This incident highlights the precarious nature of gig work in India, where sudden policy changes or legal challenges can impact the livelihoods of gig workers.

In addition, according to a report by the National Sample Survey Office (NSSO),¹⁶ only 17% of gig workers in India have a written contract, which further exacerbates their vulnerability in such situations.

b.) Low earnings: While gig work can provide flexible hours and the ability to work on multiple platforms, the pay can often be low. Many gig workers in India are paid on a per-ride or per-delivery basis, which means they have to work long hours to earn a decent income. According to a study by the Centre for Sustainable Employment at Azim Premji University,¹⁷ over 50% of gig workers in India earn less than Rs 14,000 (\$190) per month, which is below the minimum wage¹⁸ set by the Indian government.

c.) Lack of benefits and protections: As mentioned earlier, gig workers in India are not entitled to any benefits or protections such as health insurance, pension plans, or paid leave. This lack of protections can leave them financially vulnerable in case of illness or injury, and make it difficult for them to plan for their future.

d.) Limited career growth opportunities: Many gig workers in India work in low-skilled jobs such as delivery and driving, which can limit their career growth opportunities. The lack of formal training and education can make it difficult for them to transition into higher-paying jobs or start their own businesses.

¹⁵ "Rapido Ban: How the Delhi government's move to ban bike taxis will impact gig workers." <https://www.businesstoday.in/latest/trends/rapido-ban-how-the-delhi-governments-move-to-ban-bike-taxis-will-impact-gig-workers/story/473974.htm>

¹⁶ National Sample Survey Office (NSSO) report on gig workers in India: <https://www.livemint.com/news/india/only-17-of-gig-economy-workers-have-written-contracts-shows-nssos-2018-survey-1568310748047.html>

¹⁷ Centre for Sustainable Employment at Azim Premji University study on gig worker earnings: <https://www.azimpremjiuniversity.edu.in/sites/default/files/2020-10/Gig%20Work%20in%20India.pdf>

¹⁸ Indian government minimum wage: <https://pib.gov.in/PressReleasePage.aspx?PRID=1512772>

e.) Increased competition: With the rise of gig work in India, the competition among gig workers has also increased. Platforms like Ola, Uber, Zomato, and Swiggy have a large number of workers, which can make it difficult for individual workers to secure enough work to earn a decent income. According to a survey by the Centre for the Study of Developing Societies (CSDS)¹⁹ over 60% of gig workers in India reported facing competition from other workers on their platform.

f.) Lack of social security: Another major challenge faced by gig workers in India is the lack of social security. Most gig workers are not covered by any social security schemes such as the Employees' State Insurance (ESI) scheme,²⁰ which provides medical benefits to formal sector employees, or the National Pension System (NPS),²¹ which provides pension benefits to formal sector workers. This lack of social security can leave gig workers vulnerable to financial shocks such as illness or injury.

g.) Social Stigma: Social stigma against gig workers can be a significant challenge that impacts their sense of self-worth and can lead to feelings of isolation and marginalization. This can be particularly acute in societies where formal employment is highly valued, and non-traditional work arrangements are viewed with suspicion or seen as a last resort for those who cannot find more stable work.

h.) Limited access to training and skill development: Gig workers in India may not have access to formal training or skill development opportunities, which can limit their ability to take on higher-paying jobs or expand their businesses.

i.) Long working hours and poor working conditions: According to a survey by the Centre for Sustainable Employment at Azim Premji University,²² 60% of gig workers in India reported working for more than 9 hours a day, with many working 7 days a week. Additionally, gig workers often work in physically demanding jobs such as driving or delivery, which can lead to long-term health problems.

j.) High loans and liabilities: According to a study by the Centre for Decent Work (CDW), many gig workers in India take loans²³ or borrow money to purchase vehicles or equipment required for their work. These loans often come with high interest rates and can lead to a cycle of debt for gig workers. In addition, gig workers are also required to pay platform fees to the companies they work for, which can further reduce their earnings.



¹⁹ Centre for the Study of Developing Societies (CSDS) survey on competition among gig workers: https://www.researchgate.net/publication/333604511_Gig_Workers_in_India_Empirical_Evidence_and_Implications

²⁰ Employees' State Insurance (ESI) scheme: <https://www.esic.nic.in/>

²¹ National Pension System (NPS): <https://www.npsdra.nsdl.co.in/>

²² Centre for Sustainable Employment at Azim Premji University. (2019). State of Working India 2019 Report. Retrieved from <https://cse.azimpremjiuniversity.edu.in/state-of-working-india/swi-2019/>

²³ source: <https://www.indiaspend.com/loans-gone-bad-pose-threat-to-indias-shadow-banking-system/amp/>

3.2.1 About Platforms

Zomato and Swiggy, two of the most popular food delivery platforms in India, have a combined fleet of over 2.5 million delivery partners across the country, according to a report by RedSeer²⁴ Management Consulting. Ola and Uber, the leading ride-hailing companies in India, together have more than 2 million driver-partners in the country, as per the report by International Transport Forum²⁵. Rapido, another popular ride-hailing platform that specializes in bike taxis, has over 150,000 active riders on its platform, according to the company's website. Urban Company, a home services platform, has a network of over 35,000 trained professionals providing services in more than 20 cities across India, according to the company's website.

All of these platforms operate on a gig work model, where workers are classified as independent contractors rather than employees. Gig workers on these platforms have the flexibility to choose their working hours and earn a variable income based on the amount of work they do. However, they are also responsible for their own expenses such as vehicle maintenance and fuel costs, and do not receive traditional employment benefits such as paid leave or ESI. The gig work model has become increasingly popular in India, with millions of people working as gig workers in various industries.



[Source: Image](#)

3.3 Government Initiatives

3.3.1 Code on Social Security 2020

In order to expand social security coverage to all employees and workers, whether in the organized or unorganized sector, the Code on Social Security, 2020 is intended to update and consolidate the current social security laws.

²⁴ <https://www.redseer.com/reports/india-online-food-delivery-market-report>

²⁵ https://www.itf-oecd.org/sites/default/files/docs/18cpb_India.pdf

To help gig workers, platform workers, and unorganized workers, special Social Security Funds will be established by the Central and state governments under this Code. Additionally, there are measures for these employees' registration, ensuring their access to these benefits.

A National Social Security Board will be established to oversee and suggest plans for these worker groups. Schemes for platform and gig workers may receive funding from aggregators as well as contributions from the federal and state governments.

The Code also establishes fines for particular acts including impeding inspectors and taking unauthorized deductions from wages. The federal government has the right to postpone or lower employer and employee contributions under the Employee State Insurance (ESI) and Provident Fund (PF) for a period of up to three months during an epidemic, offering flexibility during trying times.

3.3.2 Rajasthan Platform-Based Gig Workers (Registration and Welfare) Bill, 2023



[Source: Image](#)

The bill is a comprehensive initiative addressing the rights and well-being of gig workers previously categorized as "partners" in companies like Ola, Uber, Swiggy, Zomato, and Amazon. It mandates the registration of gig workers with the state government, creating a database for oversight and assigning unique IDs for tracking employment history and entitlements.

Gig workers will now have access to essential social security schemes, including health insurance and accident coverage, ensuring financial support during emergencies. The bill establishes a grievance redressal mechanism, safeguarding their rights and offering a platform for resolving work-related issues.

A Platform-Based Gig Workers Welfare Board, with diverse representation, will oversee gig workers' welfare and rights, ensuring balanced decision-making.

Additionally, a "Platform-Based Gig Workers Fund and Welfare Fee" financed by aggregators will provide much-needed support during challenging times. Penalties for non-compliance are stringent, including an interest rate of 12% per annum for aggregators failing to pay the welfare fee on time.

Moreover, the state government can impose fines of up to Rs 5 lakh for initial contraventions and up to Rs 50 lakh for subsequent violations of the Act by aggregators. In summary, this bill endeavors to formalize gig workers' status, extend social security benefits and create a balanced regulatory framework that serves both workers and aggregators in Rajasthan's dynamic gig economy, with significant benefits and penalties in place to ensure compliance.

3.4 Methodology

For this study, we followed a hybrid approach that combined both fieldwork and telephonic interviews. Initially, we met with a small group of gig workers in person, who were operating in various sectors such as ride-hailing, delivery, and freelance services, among others.

During these face-to-face interviews, we collected basic demographic information about the gig workers, including their age, gender, education, and work experience. We also discussed their motivations for entering the gig economy, their experiences and challenges, and their perceptions of the benefits and drawbacks of gig work.

Following these initial interviews, we asked the interviewed gig workers to refer us to other gig workers they knew, who might be interested in participating in our study. Through this snowball sampling technique, we were able to connect with many more gig workers, who we interviewed over the phone.

All the interviews were unstructured, and we did not follow a strict questionnaire. However, we did have a list of key topics and questions that we wanted to cover during the interviews. These topics included the gig workers' work experiences, including their earnings, working conditions, job satisfaction, and work-related stress. We also asked about their use of technology, their relationship with the platform companies they worked for, and their perceptions of the future of gig work.

Overall, this methodology helped us to gather a rich and diverse set of data from gig workers, and provided us with valuable insights into the experiences and challenges of this group.

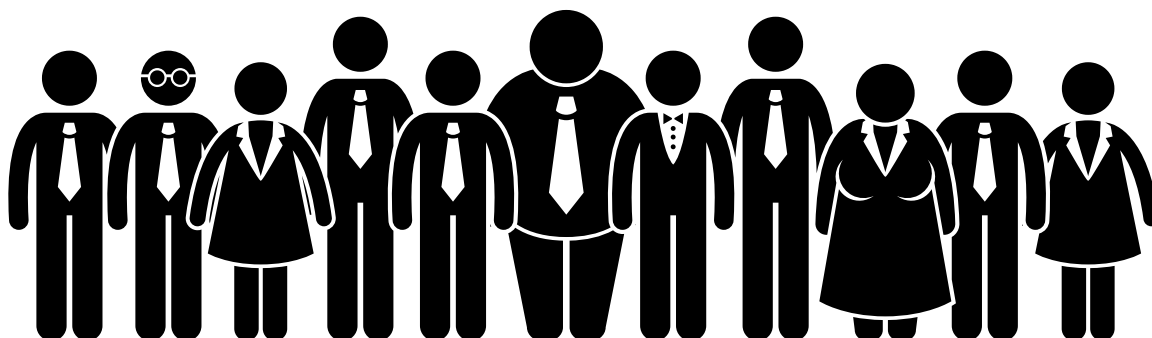


Table 1: Summary of the Interview Data

The Total Sample size	47
Gender	Male: 42, Female: 5
Age Group :	19 years to 55 years
Gross Income bracket :	INR 300/day to INR 1500/day

Table 2: List of Gig Workers interviewed

Platform	Total no. of Gig Workers	Major Activity
Zomato	12	Food Delivery using 2 Wheeler
Swiggy	5	Food Delivery Using 2 Wheeler
Rapido	10	Bike Taxi
Ola	5	Car Taxi
Uber	5	Car Taxi
Urban Company	10	Beautician, Plumber, Electrician, Cleaning Services, Phone Repair
Total	47	



3.5 Findings

3.5.1 Lack of Job Security

Our study found that 8 out of 12 Zomato workers surveyed believed that their job was secure due to the growing market and increasing demand for food delivery services. However, 4 workers expressed concerns about future competition and potential decreases in earnings.

On the other hand, all 5 Swiggy workers interviewed believed that the market was volatile and they could face challenges with fluctuating orders and earnings, but they were confident that the demand for delivery services would not decrease. Among the 10 Rapido riders surveyed, most of them considered the gig work as an additional source of income or a stepping stone, and did not worry much about job security.

In contrast, all 5 Ola and Uber drivers we interviewed had taken loans for their vehicles and expressed concerns about the increasing competition and the number of vehicles/taxis on the road, which they felt was a threat to their job security.

Finally, the 10 Urban Company workers we surveyed believed that the demand for quality services at affordable prices delivered at their doorstep would continue to grow, and even if the market were to decline, they felt confident that they had developed skills that could help them start their own self-employment journey or find work at other professional service companies.

3.5.2 Low Earnings

One of the key findings of our study is that gig workers in India often earn moderate to low incomes, particularly when compared to the long hours they put in. For example, while candidates associated with Zomato and Swiggy were able to earn an average of 800 – 1000 per day if they were logged in on the app for more than 12 hours and delivering on an average of 15 – 20 orders, those who were only logged in for 8 – 10 hours including peak hours were only able to earn an average of around 500 – 700 per day, exclusive of any fuel or vehicle rental costs.

Similarly, candidates associated with platforms like Ola and Uber were able to make around 2000 – 4000 per day, exclusive of platform fees, fuel charges, vehicle charges (EMI, rental, maintenance, etc.), but only if they were logged in for an average of 10+ hours a day. For candidates associated with Urban Company, they were able to make around 1000 – 1500 per day based on the number of hours and skill level, exclusive of platform fees, transportation, equipment, and other consumables.

3.5.3 Lack of benefits and protection

Our survey results highlighted a significant issue among gig workers in terms of social security. None of the gig workers interviewed had access to benefits such as Employee State Insurance (ESI) or pension schemes.

We found that Zomato and Swiggy provide health and accidental insurance coverage for the riders worth 10 lakhs, along with OPD and loss of pay benefits.

Urban Company also offers access to life and accidental insurance cover, free training, loans, and other benefits such as free vaccinations and PPE Kits. Several partners also enjoy free health insurance through the platform.

However, Rapido only provides ride insurance for each ride that the rider takes with customers. On the other hand, Ola and Uber do not provide any kind of social benefits to their driver partners.

3.5.4 Limited career growth opportunities

During our survey, we found that gig workers in the food delivery and ride-hailing industry reported a lack of career growth opportunities. Most of them expressed a desire to leave their gig work and start their own business or find another job that could provide better career prospects. The platforms such as Zomato, Swiggy, Ola, and Uber don't offer any visible career growth to their drivers, while Rapido drivers are only able to earn a modest income without any clear prospects for growth.

However, we did find that Urban Company offered a distinct advantage with respect to career growth opportunities for its partners. Gig workers for Urban Company can expand their service portfolios, create their own team, and even become trainers, which can ultimately lead to the development of their own businesses. Despite this opportunity, it's clear that for many gig workers, the gig work serves only as a means to meet their immediate needs and not as a long-term career path.



3.5.5 Increased Competition

During our survey, we found that 5 out of 5 Swiggy riders believe that the market is volatile and the number of delivery partners keeps fluctuating, so they don't expect it to impact them significantly. On the other hand, 4 out of 12 Zomato riders think that with the increase in the number of delivery partners, the number of orders allocated to each partner might get affected.

The situation with Rapido, Ola, and Uber is different, as all of the respondents believe that there are more taxis or bike taxis than the customers, and this increased competition has adversely affected their earnings. They get fewer rides or orders compared to before. The candidates associated with Urban Company had a mixed opinion.

Most of them believe that the market is so vast that any number of partners is insufficient, and the current market demand keeps them busy all the time. They also believe that delivering quality services and providing an excellent customer experience is essential for enhanced ratings and more orders.

3.5.6 Low Social Standing

In our survey, we found that most gig workers do not consider any work as small or big, and they take pride in their employment. They believe that their work provides them with financial stability, and they do not care much about societal stigma. Moreover, the majority of the respondents reported that their communities have come to accept gig work as a legitimate and respectable form of employment.

However, a few respondents shared their initial struggles with social stigma. For instance, two out of twelve Zomato workers faced teasing from their community members. Similarly, four female workers associated with Urban Company initially faced resistance from their families in visiting customers' homes to provide services. But with time, their families and communities began to appreciate their work, and they became a source of inspiration for others.

3.5.7 Limited access to training and skill development

Limited access to training and skill development is a major challenge faced by most gig workers. Our survey revealed that onboarding training is provided to riders and drivers, which is mostly accessible through mobile phones. In some cases, physical training sessions are also conducted, but many participants feel that the training is inadequate and a waste of time.

On the other hand, all 10 urban company candidates we interviewed agreed that the training provided to them by the organization has enhanced the quality of their work. The training has enabled them to provide better customer service and develop soft skills, resulting in a superior customer experience.

Overall, there is a clear lack of effective training and skill development opportunities for gig workers other than a few platforms like Urban Company.

3.5.8 Long working hours and poor working conditions

During our survey, we found that gig workers across all platforms work for an average of 10 hours a day, with some working even longer hours.

During these long hours, they are constantly on the road, delivering food, dropping passengers, or providing services. The nature of their work is such that they do not get many breaks or time to rest, which can take a toll on their physical and mental health.

Additionally, the working conditions for gig workers are often poor. They are exposed to extreme weather conditions, pollution, and traffic hazards while on the job. Many of them do not have access to basic amenities such as clean water or restrooms while working. This can lead to a high level of physical and mental stress, which can affect their ability to perform their job efficiently and safely.

3.5.9 Loans and liabilities

During our survey, we found that a significant number of gig workers have taken loans to finance their work equipment or vehicles. Out of the 47 candidates we interviewed, 30 reported having taken out loans. This is a concerning trend as it indicates that gig workers are taking on debt to fund their work, and may be struggling to repay those loans.

In particular, we found that taxi drivers were paying a significant portion of their income towards loan repayments. This is due to the high cost of purchasing a vehicle, which many drivers finance through loans. As a result, they are left with less disposable income to cover their daily expenses, which can further exacerbate the financial challenges they face.

3.6 Inferences

- **Limited Access to Training and Skill Development:** There is a significant gap in the access to training and skill development programs for gig workers. While some companies like Urban Company are providing comprehensive training programs, most gig workers are only receiving basic training that is often ineffective and not tailored to their needs. This lack of training and skill development opportunities can hinder the growth of gig workers and limit their potential to earn higher incomes.
- 
- The illustration depicts a large, stylized blue head in profile, facing left. Inside the head, several people are working on various mechanical and electrical components, including gears, light bulbs, and circuitry. One person is on a ladder, another is using a wrench, and others are holding tools or components. The head is surrounded by green leaves and small clouds, suggesting a natural or organic process of growth and development.
- **Long Working Hours and Poor Working Conditions:** Gig workers are often subjected to long working hours and poor working conditions, which can have adverse effects on their physical and mental health. They are continuously on the road or performing tasks for extended periods, which can lead to burnout and exhaustion. These conditions can also lead to safety risks and accidents, especially for those working in transportation.
 - **High Loans and Liabilities:** Many gig workers have taken out loans to finance or rent their vehicles or equipment, which can lead to high levels of debt and financial insecurity. They are often required to pay significant amounts of their income towards loan repayment, or as rental, which can limit their ability to save and invest in their careers. This can also lead to a cycle of debt that can be difficult to break out of.
 - **Lack of Social Security:** Gig workers are not entitled to any social security benefits like ESI or pension schemes. This lack of social security can leave them vulnerable to financial insecurity, especially in case of illness, injury or retirement.
 - **Social Stigma:** While gig workers have increasingly gained acceptance as a legitimate form of work, there is still some social stigma attached to it. Many gig workers face discrimination and negative stereotypes from their communities, which can affect their morale and self-esteem.

- Increased competition: The gig workers in the Indian gig economy face increasing competition from other gig workers, which can lead to reduced earnings and job insecurity. This highlights the need for gig platforms to ensure a fair and competitive marketplace for gig workers, which can help to reduce the risk of job insecurity.
- Many gig workers are using these platforms as a means to earn money and gain market intelligence for their future aspirations, such as starting their own business or pursuing a new job.
- Additionally, it was observed that in the gig economy, skill and aspirations are critical factors for success. While workers with specific skills like plumbers, beauticians, and cleaners who are associated with platforms like Urban Clap showed higher satisfaction levels and have opportunities to build their own team and grow their own business, workers who are merely working as delivery riders or drivers have limited growth potential and face stiff competition from unemployed youths, which can impact their earning potential.
- Drivers associated with OLA and Uber are particularly stressed due to the high liability for car EMIs or rental fees and the increased competition, which has resulted in lower earnings compared to previous times. The level of satisfaction and earning potential for gig workers are also closely linked to the skill sets required for the job and the engagement model of the platform. For instance, drivers associated with OLA and Uber who own their own vehicle are not satisfied with their income as a significant portion of their earnings goes towards car EMIs and platform fees. Similarly, gig workers who have rented the vehicle are also unsatisfied as almost 60% of their earnings go towards platform and vehicle rent. In contrast, delivery riders are moderately satisfied with their earnings, while Urban Clap partners are highly satisfied with their earning potential and growth opportunities.

3.7 Recommendations

Based on the inferences drawn from the findings, the following recommendations can be made to address the issue of youth unemployment and improve the scenario:

- Skill and training programs: Platforms should focus on making their training programs more effective and interactive. Feedback should be taken from gig workers to understand their training needs and recommendations should be implemented accordingly.
- Regulatory body: The government should establish a regulatory body to provide gig workers with a safety net, such as schemes like ESI and pension. This will ensure that gig workers have access to social security benefits.
- Encourage entrepreneurship: Platforms could encourage entrepreneurship among gig workers by providing them with the opportunity to start their own businesses or franchises. This could be achieved through low-cost loans, incubation programs, or by providing gig workers with access to mentorship and support networks.



- Decent working conditions: Organizations should provide decent working conditions for gig workers. This includes setting up resting areas where they can rest while waiting for orders, ensuring they have enough breaks, and avoiding pressurizing them to deliver orders within unrealistic time frames.
- Social stigma: Organizations should work towards reducing social stigma associated with gig work by promoting it as a legitimate and respected form of work. This can be done through awareness campaigns and by highlighting success stories of gig workers.
- Collaborate with local community organizations: Gig economy platforms could work with local community organizations to promote gig work as a legitimate form of work and provide support to gig workers. These organizations could also help in identifying potential gig workers and provide training and skill development opportunities.
- Minimum wage and other conditions: Platforms should ensure that gig workers are paid a fair wage and provided with basic facilities such as insurance coverage and equipment. This will improve the quality of life for gig workers and attract more people to the sector.
- Career growth opportunities: Aggregator platforms should provide career growth opportunities to gig workers, such as upskilling programs, promotions, and leadership roles. This will motivate gig workers to stay with the platform for longer and improve their loyalty towards the platform.
- Provide opportunities for upskilling and reskilling: Gig platforms can provide opportunities for gig workers to upskill or reskill in order to remain relevant in the changing job market. This can include providing access to online courses or partnering with training institutions to offer training programs.
- Promote responsible gig work: Gig platforms can promote responsible gig work by implementing policies that prioritize worker safety and well-being. This can include providing workers with safety equipment, implementing strict safety protocols, and ensuring that workers are not required to work excessive hours.
- Provide access to affordable healthcare: Gig workers often lack access to affordable healthcare. Gig platforms can partner with healthcare providers to offer affordable healthcare plans to gig workers. This can help to reduce the financial burden of healthcare expenses on gig workers.



4 Self Employed Micro Entrepreneurs



[Source: Image](#)

The informal sector plays a vital role in the Indian economy, with a significant portion of the workforce engaged in self-employment activities. Among this diverse group, individuals operating from unstable or mobile structures, such as street vendors, hawkers, vegetable sellers, and tea sellers, face unique challenges in their pursuit of sustainable livelihoods. Understanding the dynamics of their work and the obstacles they encounter is crucial for designing effective interventions and support mechanisms.

According to the National Sample Survey (NSS) report on Employment and Unemployment Situation in India (2017-18),²⁶ the informal sector accounted for over 90% of total employment in the country. Within this sector, self-employed individuals operating from unstable or mobile structures represent a substantial portion. For example, a study²⁷ conducted by the Self-Employed Women's Association (SEWA) estimated that there are approximately 50 million street vendors and hawkers in India.

These self-employed individuals face numerous challenges in their daily operations. They often encounter limited access to credit, inadequate infrastructure, and regulatory constraints. The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act,²⁸ 2014, was enacted to address some of these issues. However, its effective implementation and the provision of necessary support mechanisms remain crucial for the well-being of street vendors and hawkers.

According to the International Labour Organization (ILO) report on Global Employment Trends for Youth 2020,²⁹ self-employment is a common livelihood strategy for youth in developing countries, including India. The report states that around 82% of employed youth in South Asia are engaged in the unorganized sector, with a significant portion involved in self-employment.

²⁶ National Sample Survey (NSS). (2017-18). Employment and Unemployment Situation in India. Retrieved from http://mospi.nic.in/sites/default/files/publication_reports/nss_rep574.pdf

²⁷ Self-Employed Women's Association (SEWA). (2016). SEWA Survey on Street Vendors in India. Retrieved from <https://www.sewa.org/Docs/street%20vendors%20survey.pdf>

To gain a comprehensive understanding of the challenges faced by self-employed individuals operating from unstable or mobile structures, it is essential to conduct a study that combines qualitative insights from interviews and discussions with quantitative data on their socioeconomic conditions and livelihood experiences.

By analyzing the experiences, perspectives, and aspirations of these individuals, we can develop recommendations and interventions to improve their livelihood opportunities and create a supportive ecosystem.

In this study, we aim to explore the unique circumstances of self-employed individuals operating from unstable or mobile structures, investigating factors that contribute to their livelihood instability and identifying potential interventions for enhancing their economic prospects.

By analyzing the data collected through interviews, discussions, and relevant reports, we will present an in-depth analysis of their challenges and propose actionable recommendations to support their transition to more secure and sustainable livelihoods.

The subsequent sections of this report will provide details on the methodology employed to conduct the study, present the key findings and insights garnered from interviews and discussions with self-employed individuals, and propose recommendations to address the identified challenges.

4.1 Objectives of This Section

- a.) To identify the current challenges faced by self-employed individuals and micro entrepreneurs.
- b.) To understand the growth factors which have contributed to the success of these micro entrepreneurs and can be leveraged to support other micro entrepreneurs in India.
- c.) To analyze the role of finance in supporting the growth and success of micro entrepreneurs, including access to finance for starting or growing a business and adequate finance to scale up operations.
- d.) To examine the marketing and supply chain challenges faced by micro entrepreneurs and identify opportunities for improvement.
- e.) To explore product or service innovation and its potential to drive growth for micro entrepreneurs.
- f.) To assess the effectiveness of skill training and other forms of formal support, including micro-franchise and mentorship programs, in supporting micro-entrepreneurship.

²⁸ Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill, 2014:
<https://pib.gov.in/newsite/printrelease.aspx?relid=103949>

²⁹ https://www.ilo.org/global/publications/books/WCMS_737648/lang--en/index.htm

g.) To analyze the impact of financial literacy and access to digital platforms on the success of micro entrepreneurs.

h.) To develop targeted interventions which address the challenges and leverage the growth factors identified in the study to support entrepreneurs across India.

4.2 Literature Review

The informal sector, including self-employment, plays a crucial role in the Indian economy, contributing significantly to employment generation and economic growth (NSS, 2017-18)³⁰. Micro-enterprises are primarily owned by individuals, with 54% operating in rural areas and the remaining in urban centers. As per the Economic Census, 2013 there were 58.49 million "establishments", 95.5 percent of which employed less than 5 persons, employing 115 million persons out of the total 131 million employed by all establishments (including those with more than 5 workers).

As can be seen, the average employment is only 2.25 per establishment and it was even lower at 1.99 for the smaller majority of individual micro-enterprises – just the owner and at best one family member. As later rounds of PLFS revealed, many of these family members are unpaid helpers, mostly women. Some of the other features are:

- Scale of Self-Employment: Studies estimate that there are approximately 50 million street vendors and hawkers in India, highlighting the substantial presence of self-employed individuals operating from unstable or mobile structures (SEWA Survey, 2016).



[Source: Image](#)

³⁰ National Sample Survey (NSS). (2017-18). Employment and Unemployment Situation in India. Retrieved from http://mospi.nic.in/sites/default/files/publication_reports/nss_rep574.pdf

- **Livelihood Challenges:** Self-employed individuals in the informal sector face numerous challenges, including limited access to credit, inadequate infrastructure, regulatory constraints, and a lack of social protection (ILO, 2020).
- **Policy Framework:** The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, was enacted to protect the rights of street vendors and hawkers, providing a framework for their regularization and support. However, effective implementation and necessary support mechanisms are not in place in many cities and towns.
- **High Informality among Youth:** Youth in developing countries, including India, often turn to self-employment and the informal sector due to limited formal job opportunities. In South Asia, around 82% of employed youth are engaged in the informal sector, with a significant portion involved in self-employment (ILO, 2020).
- **Skill Development and Training:** Enhancing the skills of self-employed individuals is vital for their economic empowerment. Access to skill development programs, vocational training, and entrepreneurship education can contribute to their ability to diversify their income sources and improve their livelihood prospects.
- **Financial Inclusion:** Limited access to formal financial services and credit is a major challenge for self-employed individuals in the informal sector. Expanding financial inclusion through innovative approaches, such as microfinance and mobile banking, can support their business growth and stability.
- **Social Protection:** Self-employed individuals operating from unstable or mobile structures often lack social protection mechanisms such as health insurance, pension schemes, and safety nets. Designing and implementing suitable social protection schemes can provide them with much-needed security.
- **Market Linkages:** Facilitating market linkages for self-employed individuals can help expand their customer base, improve their bargaining power, and enhance their overall business prospects. Creating platforms for networking, marketing, and accessing larger markets can be instrumental in their economic growth.
- **Supportive Ecosystem:** Developing a supportive ecosystem for self-employed individuals, including policy reforms, access to infrastructure, legal protection, and business development services, can contribute to their sustainability and resilience.



4.3 Government Schemes and Policies

- Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014: This act provides a legal framework for the protection of the rights of street vendors and hawkers. While specific beneficiary numbers are not available, the act aims to support millions of street vendors across the country.
- Jan-Dhan Yojana: The Pradhan Mantri Jan-Dhan Yojana (PMJDY)³¹ is a financial inclusion program that aims to provide banking services to all individuals, including self-employed individuals. Since its launch, over 40 crore (400 million) bank accounts have been opened under this scheme.
- Pradhan Mantri Mudra Yojana (PMMY)³²: PMMY provides collateral-free loans to micro and small enterprises, including self-employed individuals, enabling them to start or expand their businesses. The scheme has benefited over 200 million borrowers as of March 23. However, as can be seen from the analysis of loans given between 2015 and 2019, six out of seven loans are given to the smallest Shishu category borrowers.

Loan Type	No. of Accounts	No. of Accounts (as % of total)	Disbursed Amount (Rs. Cr)	Disbursed Amount (as % of total)	Average loan size Rs
Shishu (loans below Rs 50,000)	154,012,989	86.48%	418,041.99	46.72%	27,143
Kishore (from Rs 50K to Rs 5 lakh)	19,212,879	10.79%	281,969.83	31.51%	146,761
Tarun (from Rs 5 to Rs 10 lakh)	4,857,528	2.73%	194,764.42	21.77%	400,954
Total	178,083,396	100.00%	894,776.24	100.00%	50,245

³¹ Pradhan Mantri Jan-Dhan Yojana (PMJDY): <https://pmjdy.gov.in/>

³² Pradhan Mantri Mudra Yojana (PMMY): <https://www.mudra.org.in/>

- PM SVANidhi Scheme: Launched by the Government of India, the Pradhan Mantri Street Vendor's Atmanirbhar Nidhi (PM SVANidhi)³³ Scheme aims to provide affordable working capital loans to street vendors, encouraging their formalization and access to credit. As of [date], over 20 lakh (2 million) street vendors have benefitted from the scheme.

PM Street Vendor's Atmanirbhar Nidhi (PM SVANidhi)

**A Special Micro-Credit Facility
for Street Vendors**



[Source: Image](#)

- National Urban Livelihoods Mission (DAY-NULM)³⁴: DAY-NULM is a government scheme aimed at reducing poverty and promoting sustainable livelihoods in urban areas. It provides skill training, access to credit, and market linkages for self-employed individuals, including street vendors and hawkers.
- Social Security Schemes: The government has introduced social security schemes like the Pradhan Mantri Suraksha Bima Yojana (PMSBY)³⁵ and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)³⁶ to provide insurance coverage to individuals, including self-employed individuals, at affordable premiums. These schemes have provided insurance coverage to millions of beneficiaries across the country.
- Skill Development Programs: The government, through initiatives like the Skill India Mission³⁷, offers various skill development programs and vocational training to equip self-employed individuals with relevant skills, enhance their productivity, and increase their income potential. As of [date], millions of individuals have been trained under Skill India programs.

These government schemes, support systems, and policies are designed to provide assistance, promote formalization, and improve the livelihoods of self-employed individuals operating from unstable or mobile structures in the informal sector. Leveraging and expanding awareness of these initiatives can significantly benefit this segment of the workforce.

³³ PM SVANidhi Scheme: <https://pmsvanidhi.mohua.gov.in/>

³⁴ National Urban Livelihoods Mission (DAY-NULM): <https://nulm.gov.in/>

³⁵ Pradhan Mantri Suraksha Bima Yojana (PMSBY): <https://www.jansuraksha.gov.in/>

³⁶ Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): <https://www.jansuraksha.gov.in/>

³⁷ Skill India Mission: <https://www.skillindia.gov.in/>

4.4 Methodology

The methodology employed for this survey involved conducting interviews with self-employed individuals operating from unstable or mobile structures, such as hawkers, vegetable sellers, tea sellers, and other similar occupations. The interviews were conducted in the marketplaces where these individuals were actively engaged in their work, allowing for natural and contextual conversations to take place.

The interviews were conducted on-site, taking advantage of the opportunity when individuals were available and accessible during their work hours. This approach ensured that the discussions were conducted in real-time and in the natural environment where these individuals operate, allowing for a better understanding of their challenges, experiences, and perspectives.

The interviews were semi-structured, allowing for flexibility in the conversation while also ensuring that key topics and questions were covered. The interview questions focused on various aspects, including their livelihood activities, challenges faced, aspirations, access to support systems, and their perception of government schemes and policies.

The interviewer engaged in conversations with the individuals while availing their services, respecting their time constraints and work commitments. The conversations were conducted in a friendly and non-intrusive manner to encourage open and honest responses.

The sample for this survey consisted of self-employed individuals operating in diverse marketplaces across different locations in India. Efforts were made to include individuals from various occupations and regions to capture a representative sample. The sample size for this survey comprised [insert number] individuals actively engaged in their respective occupations.

It is important to note that the findings of this survey are based on the perspectives and experiences shared by the participants during the interviews. While efforts were made to ensure a diverse and representative sample, the results may not be generalized to the entire population of self-employed individuals in India.

However, the insights obtained from this survey provide valuable qualitative data that can contribute to a deeper understanding of the challenges and opportunities faced by individuals operating in unstable or mobile structures in the informal sector.

Overall, the methodology employed in this survey aimed to capture the lived experiences and perspectives of self-employed individuals in their natural work settings, allowing for a more nuanced understanding of their livelihoods and the factors influencing their success and well-being.

4.4.1 Sample

The sample for this report consisted of self-employed individuals engaged in various occupations that operate from unstable or mobile structures. The participants included mobile tea sellers, vegetable sellers, and hawkers selling daily use accessories, food sellers such as paratha and pakodi centers, locksmiths, and other similar occupations prevalent in the marketplaces.

Efforts were made to ensure diversity in the sample by including individuals from different locations and marketplaces across India. The selection of participants aimed to capture a range of occupations and experiences within the self-employed sector operating from unstable or mobile structures.

The sample size for this report included around 30 participants actively engaged in their respective occupations. The selection of participants was based on their availability and willingness to participate in the survey during their work hours. It is important to note that the sample size may be limited, and the findings should be interpreted in the context of this specific sample.

By including individuals from various occupations and locations, the sample aimed to provide insights into the challenges, experiences, and aspirations of self-employed individuals operating from unstable or mobile structures in the informal sector.

The identities of the participants have been kept confidential, and their responses are reported in aggregate to ensure anonymity and confidentiality.

It is important to acknowledge that the sample may not be fully representative of the entire population of self-employed individuals operating in unstable or mobile structures across India. However, the findings derived from this sample can provide valuable insights and contribute to a broader understanding of the livelihoods and circumstances of these individuals.

4.5 Findings

- **Varied Occupations:** The survey included participants engaged in diverse occupations such as mobile tea sellers, vegetable sellers, hawkers selling daily use accessories, food sellers (paratha and pakodi centers), locksmiths, and others. This indicates the wide range of self-employment opportunities within this sector.



[Source: Image](#)

- **Economic Vulnerability:** Many individuals operating in unstable or mobile structures face economic vulnerability due to the fluctuating nature of their income. Their earnings are often dependent on daily sales and market conditions, making it challenging to maintain a stable and consistent livelihood.

- **Income Variability and Uncertainty:** The survey revealed that the daily earnings of these vendors were highly variable and unpredictable. While the average daily earnings ranged between 400 and 1500 rupees, it is crucial to recognize that these earnings fluctuated based on various factors such as weather conditions, customer footfall, market demand, and competition.
- **Lack of Formal Support:** The survey revealed that a significant number of self-employed individuals operating in this sector face limited access to formal support systems. They often lack access to financial services, social security benefits, and government schemes specifically designed for the informal sector.
- **Informal Networks:** Self-employed individuals heavily rely on informal networks for their businesses. They form relationships with suppliers, customers, and other vendors within the marketplace, which play a crucial role in sustaining their operations.
- **Infrastructural Challenges:** Participants highlighted infrastructural challenges such as lack of proper facilities, storage spaces, and sanitation facilities. These challenges can hinder their productivity and impact the quality of their goods or services.
- **Regulatory Issues:** Many individuals expressed concerns about the complex and inconsistent regulatory environment. They cited challenges related to licenses, permits, and harassment by authorities, which hinder their ability to operate smoothly.
- **Limited Skill Enhancement Opportunities:** The survey indicated that self-employed individuals in this sector often face limited opportunities for skill enhancement and professional development. Access to training programs and workshops specific to their occupations is limited, which can hinder their ability to expand their businesses or explore new avenues.



- **Resilience and Adaptability:** Despite the challenges faced, self-employed individuals exhibited resilience and adaptability in navigating the dynamic market conditions. They employ creative strategies to sustain their businesses and respond to changing customer demands.
- **Limited Government Support:** Surprisingly, not a single vendor in the survey reported receiving any form of financial assistance or support under government schemes. Despite the existence of various schemes aimed at providing financial aid to self-employed individuals, such as microloans or subsidies, the vendors were unaware of the application process or were denied support when they approached banks.
- **Reliance on Informal Finance:** The vendors heavily rely on Non-Banking Financial Companies (NBFCs) and informal sources of finance to meet their working capital needs and cope with emergencies. The lack of access to formal financial institutions and services limits their ability to secure affordable credit options.
- **Awareness Gap:** Although the vendors were technically covered under the Pradhan Mantri Suraksha Bima Yojana (PM Bima Scheme) – an insurance scheme for accidental coverage – they were unaware of the process to avail the benefits. The lack of awareness and information dissemination contributes to the underutilization of such government-backed insurance schemes.



[Source: Image](#)

- **Harassment and Insecurity:** Despite the existence of the Street Vendors Protection Act, the vendors still face harassment from police and municipal officials. They often experience eviction from their business locations, leading to disruptions in their operations. Moreover, some officials demand favors or bribes from the vendors in exchange for allowing them to continue their businesses, creating a sense of insecurity and unfair treatment.

Case Study 4: Hassan Age: 32 years Town: Gaya, Bihar

Hassan, a construction labourer who has studied up to class 5, was working in Greater Noida near Gaur Chowk, though originally he hails from a small town in Bihar's Gaya district. He currently resides in Greater Noida with his younger brothers. Hassan is a married man with two children who still live in Bihar under the care of his parents.

In 2021, Hassan made the significant decision to migrate to Delhi with the assistance of a labour contractor. He began his journey as a daily wage labourer, working on the construction of an apartment building. Despite his hard work, Hassan's monthly earnings amounted to around 10,000 rupees. His accommodation is in a temporary structure within the apartment premises.

Recognizing the need to increase his income, Hassan took additional employment after completing his labour work. In the early mornings, he works as a car cleaner in nearby residential areas, tending to approximately 20 cars every day. During the nights, he actively seeks out various odd jobs, including helping with house shifting and house cleaning. Through these efforts, he manages to earn a decent income.

Hassan's challenging circumstances don't afford him any social benefits from the government or his local employer. Furthermore, he lacks opportunities for skill development that could potentially advance his career. Despite these hurdles, Hassan is determined to secure a better future for his children, ensuring they receive a proper education and don't follow in his footsteps as labourers.

4.6 Inferences

Based on the findings of the survey conducted among self-employed individuals operating from unstable or mobile structures, the following inferences can be drawn:

- **Lack of Government Support:** The absence of formal financial support from government schemes indicates a significant gap in the implementation and accessibility of these programs. The vendors' lack of awareness about the application process and instances of denial reflect the need for more streamlined and transparent procedures for availing financial assistance.
- **Overdependence on Informal Finance:** The heavy reliance on NBFCs and informal sources of finance signifies the limited access to formal financial institutions. This reliance on expensive and often exploitative financing options highlights the need for improved access to affordable credit and financial services tailored to the specific needs of self-employed individuals.



- **Limited Awareness and Utilization of Insurance Schemes:** Despite being technically covered under insurance schemes like the PM Bima Scheme, the vendors' lack of knowledge on how to avail benefits indicates a need for better dissemination of information. Increased awareness and education on the available insurance options can help improve the financial security and risk management capabilities of these individuals.
- **Challenges in Implementation of Protective Laws:** The harassment faced by vendors from police and municipal officials, as well as the demand for bribes, reveals a gap in the enforcement of the Street Vendors Protection Act. Strengthening the implementation of protective laws, ensuring fair treatment, and providing a conducive business environment can foster a sense of security and promote the growth of self-employed businesses.
- **Income Volatility and Uncertainty:** The variable and unpredictable nature of daily earnings indicates the challenges faced by these individuals in achieving financial stability. Addressing the income variability through financial literacy programs, savings mechanisms, and tailored financial services can help mitigate the risks associated with fluctuating income and improve the overall financial well-being of self-employed vendors.

Case Study 5: Sunil Kumar, Age: 35 years, Town: Muzzafarpur, Bihar

Sunil Kumar, a 29-year-old from Muzaffarpur, Bihar, who found a fresh start as a Zomato food delivery rider. He studied in a polytechnic. Sunil's journey took an unexpected turn during the COVID-19 pandemic. He was previously employed as a field technician for an electronics company, but when the pandemic struck, he faced a layoff that left him struggling to make ends meet. In response to his changed circumstances and to secure his livelihood in the Delhi-NCR region, Sunil turned to food delivery with Zomato. Presently, Sunil successfully delivers an average of 20-25 orders per day, earning a steady income ranging from 25,000 to 29,000 rupees per month.

Despite the higher work hours compared to his previous job, where he often invests more than 10 hours in the field delivering orders, Sunil believes that "paisa kamane ke liye mehnat to karna hi padta hai" (hard work is necessary to earn money). He values the autonomy of setting his work hours based on his preferences and the direct correlation between effort and earnings—in contrast to other jobs where hard work might not always translate into better pay.

When it comes to social benefits, Sunil highlights a significant difference between his previous employer and Zomato. His previous company didn't offer any health insurance or social benefits. In contrast, Zomato provides Sunil with valuable coverage, including 10 lakh rupees worth of accidental and life insurance, 5 lakh rupees worth of health insurance for both himself and his family, and ambulance coverage.

Sunil is immensely grateful for his decision to join Zomato's riding services, and his future looks promising. He aims to save money to return to his village, reunite with his family, and establish a small grocery shop.

4.7 Recommendations

Based on the findings and inferences from the survey conducted among self-employed individuals operating from unstable or mobile structures, the following recommendations can be proposed:

- **Enhance Access to Formal Financial Services:** Efforts should be made to improve the accessibility of formal financial institutions for these individuals. This can be achieved through initiatives such as mobile banking, simplified documentation processes, and financial literacy programs that educate vendors about the benefits of using formal financial services and how to access them.
- **Strengthen Government Support Systems:** There is a need to streamline and improve the implementation of government schemes and support systems specifically tailored to the needs of self-employed individuals. This includes raising awareness about available schemes, simplifying the application process, and ensuring transparent and efficient disbursement of funds or benefits.
- **Facilitate Skill Development and Entrepreneurship:** Encouraging skill development programs that align with the diverse activities of self-employed individuals can enhance their business capabilities and market competitiveness. Providing training and support in areas such as financial management, marketing, and digital literacy can empower vendors to expand their operations, improve their income, and navigate the challenges of running a business.
- **Strengthen Legal Protection:** Efforts should be made to ensure effective implementation of protective laws, such as the Street Vendors Protection Act, to safeguard the rights and interests of self-employed individuals. This includes training police and municipal officials on the provisions of the act, addressing corruption and harassment issues, and establishing grievance redressal mechanisms for vendors to report any violations.
- **Foster Collaboration with Civil Society Organizations:** Collaborating with civil society organizations working in the livelihood sector can provide valuable support to self-employed individuals. These organizations can offer capacity-building programs, access to market linkages, and advocacy efforts to address the challenges faced by vendors. Strengthening partnerships between government agencies, civil society organizations, and self-employed individuals can lead to more comprehensive and sustainable support systems.
- **Promote Financial Inclusion and Insurance Awareness:** Initiatives should be undertaken to promote financial inclusion among self-employed individuals, including improving access to affordable insurance products. Awareness campaigns, training programs, and simplified processes for availing insurance benefits can ensure that vendors understand the importance of insurance coverage and are equipped to protect themselves against unforeseen risks.



5 Self Employed “Deci” Entrepreneurs

Self-employed entrepreneurs play a critical role in creating employment opportunities and generating income for individuals and their communities. Most entrepreneurs are micro, employing themselves and at best one or two family members. Some of the most commonly known micro-enterprises are grocery stores, tea stalls, shoemakers, carpenters, food stalls, mechanics, vegetable vendors, food processing, small farmers, etc.



[Source: Image](#)

But a few grow into what Mr Vijay Mahajan, Director RGICS, calls Deci (pronounced desi) entrepreneurs who have 10 or more employees. They have businesses with gross revenue of INR 20 – 50 lakh per annum and make up a significant portion of the economy in India. They operate in various sectors, provide jobs, and boost purchasing power. These entrepreneurs face several challenges, including limited access to capital, inadequate infrastructure, and a lack of business development and management skills.

To address these challenges, the government has established various financial and non-financial institutions to support the creation and growth of micro-enterprises. However, despite these efforts, there are still significant barriers that prevent entrepreneurs from realizing their full potential. These barriers include limited access to credit and financial services, inadequate infrastructure, and a lack of technical and business development skills.

Through this study, we aim to analyze the factors that impact the success of those micro entrepreneurs who have grown to become Deci entrepreneurs. We will examine the challenges and opportunities faced by Deci entrepreneurs operating in various sectors and explore the strategies that can help them overcome these challenges. Ultimately, our goal is to provide insights and recommendations that can help policymakers, financial institutions, and other stakeholders create an enabling environment for the growth and development of micro-enterprises in rural India.

5.1 Objectives of This Section

The objectives of this section of the study, which is on entrepreneurs, are as follows:

- a.) To identify the current challenges faced by Deci entrepreneurs.
- b.) To understand the growth factors which have contributed to the success of these Deci entrepreneurs and can be leveraged to support other Deci entrepreneurs in India.
- c.) To analyze the role of finance in supporting the growth and success of Deci entrepreneurs, including access to finance for starting or growing a business and adequate finance to scale up operations.
- d.) To examine the marketing and supply chain challenges faced by Deci entrepreneurs and identify opportunities for improvement.
- e.) To explore product or service innovation and its potential to drive growth for Deci entrepreneurs.
- f.) To assess the effectiveness of skill training and other forms of formal support, including micro-franchise and mentorship programs, in supporting entrepreneurship.
- g.) To analyze the impact of financial literacy and access to digital platforms on the success of entrepreneurs.
- h.) To develop targeted interventions which address the challenges and leverage the growth factors identified in the study to support entrepreneurs not just in Telangana but across India.

Their economic activities span a diverse spectrum, encompassing manufacturing, processing, trading, and a myriad of services. However, the journey of these micro-enterprises is marked by complexities that extend far beyond financial challenges. A multitude of formidable hurdles loom large on their path.

Many entrepreneurs grapple with limited access to formal business education and essential entrepreneurial skills, hindering their capacity to effectively manage and expand their enterprises. The establishment of robust market connections, especially for rural micro-enterprises, remains an uphill battle, despite its pivotal role in achieving sustainable growth.

In an era defined by rapid technological advancement, the ability to adapt and integrate technology into daily operations becomes paramount. Unfortunately, limited technological knowledge and resources often stymie this adaptation process.

Adequate infrastructure, spanning transportation, logistics, and basic utilities, is equally vital for the seamless functioning of micro-enterprises. Insufficient infrastructure disrupts operations and cuts growth potential.

Moreover, while financial challenges remain at the forefront, the broader landscape of financial literacy, access to credit, and complex lending processes exacerbates these problems.

This challenge is underscored by the Reserve Bank of India's Expert Committee (U K Sinha Committee, 2019), which reveals that the total demand for external credit in the MSME sector in India stands at a staggering Rs 37 trillion, while the available finance from formal sources amounts to only Rs 14.5 trillion. Consequently, a substantial credit gap, estimated to be between Rs 20 and 25 trillion, impedes the growth and development of micro-enterprises in the country.

To address these multifaceted challenges, various government schemes have been introduced, often celebrated as poster children of empowerment. However, a reality check reveals significant gaps. These schemes, though commendable, fall short of adequately addressing the vast challenges that persist at a massive scale.

5.2 Government Schemes and Interventions

The Indian government has launched a series of initiatives aimed at promoting self-employment and addressing the country's unemployment challenges. These schemes offer grants, interest-free loans, and subsidies ranging from 50,000 to 500,000 rupees. Additionally, special provisions have been made to encourage women's participation in these programs. Some prominent central government schemes include:

1. ASPIRE Scheme
2. Pradhan Mantri Swarajgar Yojana
3. Prime Minister Employment Generation Programme
4. Micro-Credit Scheme for Self-Help Groups
5. Self-Employment Lending Scheme
6. Mudra Scheme



While these schemes hold promise, navigating the associated compliance requirements has proven to be a significant challenge for many aspiring young entrepreneurs. However, micro-enterprises with a track record of success and strong growth potential encounter fewer barriers when accessing these programs.

Take, for example, the Mudra Scheme, which promised collateral-free credit up to 10 lakh rupees under the Pradhan Mantri MUDRA Yojana (PMMY). This program categorized loans into three segments: Shishu (up to 50,000 rupees), Kishor (50,000 to 5 lakh rupees), and Tarun (5 lakh to 10 lakh rupees).

However, as we showed earlier, the data reveals that the majority of loans disbursed fall within the Shishu category. On the other hand the Tarun loans were only 2.73 percent of all the loans whereas these are the loans sizes needed for Deci enterprises.

Moreover, many banks, both before and after the introduction of the Mudra Scheme, have been providing loans to micro-enterprises. They now categorize these loans under the Mudra seal, although concerns persist regarding banks' insistence on collateral and the lack of specific interest rate regulations.

In practice, government schemes, much like MUDRA and others, often fall short of their expected impact. There appears to be a recurring pattern where these initiatives, while well-intentioned, may either undergo rebranding or generate more hype than tangible outcomes on the ground.

It is essential to undertake a comprehensive assessment to ascertain whether entrepreneurs have availed themselves of the benefits offered by these schemes or even possess awareness of their existence.

Such evaluations can provide valuable insights into the actual reach and effectiveness of these programs, enabling targeted improvements to ensure that micro, small, and medium-sized enterprises (MSMEs) receive the support they require.

Without such insights and corrective actions, refinance arrangements through institutions like MUDRA and others may struggle to significantly enhance the impact on the micro-enterprise sector.

Start-up India: The Start-up India initiative aims to foster entrepreneurship and innovation by providing a supportive ecosystem for start-ups, including access to funding, incubation support, and simplified regulatory processes. Since its launch, thousands of start-ups have been recognized and supported under this initiative.



[Source: Image](#)

³⁸ Start-up India: <https://www.startupindia.gov.in/>

5.3 Literature Review

Literature lists the following constraints usually faced by micro-entrepreneurs:

Supply Chain: Micro-entrepreneurs often face challenges in accessing raw materials and products due to limited availability and high prices. They may have to travel to larger cities to procure the goods they need, incurring additional transportation costs.

This limits their ability to compete with larger businesses that can purchase in larger quantities and negotiate better prices. In addition, micro-entrepreneurs may have limited access to a variety of quality products, further limiting their ability to meet customer demand.

According to a survey conducted by Intellectap in 2021, 38% of micro-enterprises in India faced challenges in accessing raw materials due to limited availability and high prices. The survey also found that 47% of micro-enterprises had to travel to larger cities to procure goods, incurring additional costs.

Access to Finance: Micro-entrepreneurs often lack access to formal financial institutions due to limited credit history, lack of collateral, and low levels of financial literacy. This restricts their ability to obtain funding to start or grow their business. As a result, many micro-entrepreneurs rely on informal sources of finance, such as money lenders or family and friends, which can result in high interest rates and limited access to capital.

According to a report by the World Bank, only 44% of adults in India have an account at a formal financial institution, and just 7% have borrowed from a bank in the past year. In addition, a survey by Intellectap in 2021 found that only 14% of micro-enterprises had access to formal credit.

Financial literacy: Many micro-entrepreneurs in rural India lack financial literacy and do not have a clear understanding of how to manage their finances effectively. According to a study by the National Sample Survey Office in 2019, only 47% of rural households in India had bank accounts, and even fewer had access to other financial services such as credit and insurance. This lack of financial inclusion and education can make it difficult for micro-entrepreneurs to manage their cash flows and invest in their businesses for growth.

Skills: Micro-entrepreneurs in rural India may also lack the necessary skills and training to effectively manage and grow their businesses. According to a study by the National Skill Development Corporation in 2021, only 10% of rural youth in India have received formal vocational training, leaving many without the necessary skills to compete in the market. Additionally, a survey by the Ministry of Skill Development and Entrepreneurship in 2019 found that only 2% of micro-entrepreneurs in India had received formal business training.

Business Guidance/Mentorship: Many micro-entrepreneurs in rural India lack access to business guidance and mentorship, which can make it difficult for them to navigate challenges and make informed decisions. According to a study by the International Journal of Scientific Research in 2020, only 10% of micro-entrepreneurs in rural India had received any form of business support or guidance, leaving many to rely on trial and error.

Product and Service Innovation: Micro-entrepreneurs in rural India may struggle to come up with innovative products and services due to limited access to resources and knowledge. According to a survey by the Ministry of Micro, Small and Medium Enterprises in 2021, only 20% of micro-enterprises in India reported engaging in any form of innovation. This lack of innovation can limit their ability to stay competitive and meet changing customer needs.

Marketing: Micro-entrepreneurs often lack the resources and knowledge to effectively market their products and services. According to a survey conducted by the International Journal of Innovative Research in Technology in 2021, 60% of micro-entrepreneurs in rural India reported facing difficulties in promoting their products and services to potential customers. Additionally, a study by the World Bank in 2019 found that only 30% of small businesses in India had an online presence, limiting their reach to potential customers.

Digital Access: With the increasing use of digital platforms for business, micro-entrepreneurs in rural India are at a disadvantage due to lack of knowledge and access to these technologies. A survey by the Centre for Digital Financial Inclusion in 2021 found that 65% of micro-entrepreneurs in rural India did not use any digital platforms for their business. This lack of digital presence can limit their customer base and make it difficult for them to compete with larger businesses.



5.3.1 Methodology

The methodology adopted for this study involved a field based survey to gather comprehensive data on the challenges, growth factors, and opportunities of micro-entrepreneurs. To ensure that the survey was carried out in a trustful environment, entrepreneurs who were members and borrowers of Mutually Aided Cooperative Societies assisted by the Sahulat Microfinance Trust Hyderabad, were included in the survey.

Quantitative data was collected through structured questionnaires, which focused on aspects such as the type of business, years of operation, revenue, expenses, access to finance, and marketing strategies. Meanwhile, qualitative data was collected through unstructured questionnaires and semi-structured interviews, which allowed for in-depth exploration of the entrepreneurs' experiences.

The study involved visits to the entrepreneurs' workplaces in the Telangana districts of Medak, Zaheerabad, Sangareddy, and Sadashivpet. Additionally, a review of research papers and online studies related to the informal economy was conducted to provide context and support for the study's findings.

Overall, the combination of quantitative and qualitative data sources provided a comprehensive understanding of the entrepreneurs' experiences and perspectives. The findings of the study are based on a robust and rigorous research methodology.

5.3.2 Sahulat Microfinance Society, Hyderabad

Sahulat Microfinance Society (Sahulat) is a microfinance institution that operates in several districts each of Telangana, Andhra Pradesh, Karnataka and Maharashtra, with its headquarters in Hyderabad, India. Its mission is to provide technical and management assistance to Mutually Aided Cooperative Societies (MACS) registered under the MACS Act in these respective states. These MACS provide financial assistance to the economically weaker sections of society, including women, micro-entrepreneurs and small businesses to enable them to start and grow their small businesses. So far, Sahulat works with 17 MACS, which together have 40 branches, nearly 80,000 members, almost all of whom are depositors and about 15,000 are also borrowers at present.

In the financial year 2021-22, Sahulat related MACS disbursed loans worth Rs. 318 crores (INR 3.18 billion) to over 75,000 borrowers over the years, with an average loan size of Rs. 68,000. Sahulat MACS take a very minimal service charge of around 4% pa on its loans, and the profits earned are used to sustain and expand its operations, with a particular emphasis on empowering women, micro-entrepreneurs, small businesses and promoting sustainable livelihoods.

Sahulat assists 17 MACS which between them have 40 branches, of which several are in Hyderabad and its surrounding areas. While its primary focus is on women, micro-entrepreneurs, and small businesses however, it provides loans to all who meet its eligibility criteria. In addition to providing loans, Sahulat also offers financial literacy and entrepreneurship training to its members, enabling them to develop their business skills and improve their chances of success. These MACS offers a range of loan products to its members, including Cash Loan, Murabaha Loan (Cost Plus Loan), and Business Loan. Cash Loan is meant for consumption purposes, and the loan amount varies between Rs. 2,000 to Rs. 50,000.

The Murabaha loan is a short term Cost Plus Loan, where the member purchases a commodity and then sells it at a profit. Business Loan is for those members who want to start or expand their business, and the member shares the profits with the institution. For the Cost Plus and Business Loan Schemes, the loan amount can go up to Rs. 100,000.

Sahulat Microfinance Society is making significant contributions towards creating a more inclusive and sustainable economy in India by providing essential financial services to those who need it the most. Its commitment to empowering women, micro-entrepreneurs, and small businesses and promoting sustainable livelihoods is a testament to its dedication to social and economic development for the economically weaker sections of the society.

5.3.3 Data Summary

The total Sample size	33
Gender	Male: 32, Female: 1
Age Group :	20 years to 55 years
Gross Revenue bracket :	INR 1000/day to INR 20,000/day

Table 1: List of Entrepreneurs met in each of the location

Locations	Total number of Entrepreneurs	List of Activities
Sangareddy	9	Automobile spare parts and repair, Mobile repair and accessories, Stationery & Xerox, Readymades, Dress materials, Fast food centre, Electricals
Zaheerabad	6	Hosiery manufacturer, Fancy store, Kirana & general store, Footwear, Garments, Embroidery
Sadashivpet	6	Flower Shop, Pooja store, Vegetable sells, Automobile repair and spare, Gift store, Rexine work
Medak	12	Hawkers, Vegetable seller, Flower and pooja store, Kirana & General, Mobile phone & accessories and service
Total	33	

5.3.4 Demographics

- The majority of micro-entrepreneurs in our study were male 32, and only 1 female. The micro entrepreneurs were aged between 26-45 years (71%).
- About 60% of micro-entrepreneurs had completed secondary education or above.

5.3.5 Business Characteristics

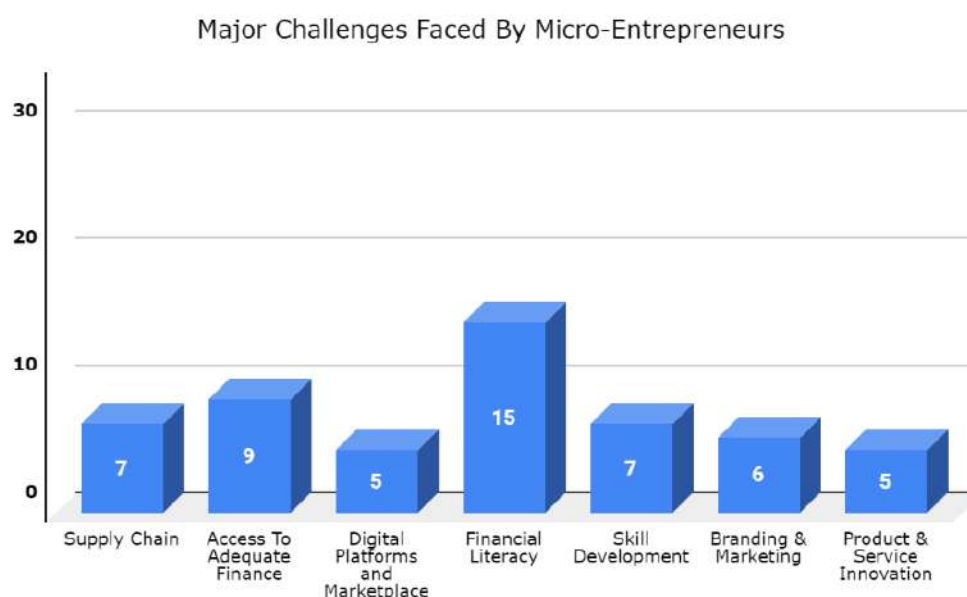
- The most common type of business among micro-entrepreneurs was trading (78%) followed by services (27%).

(Refer Table 1)

- Only 12% of the micro-entrepreneurs reported having an annual gross turnover of less than INR 10 lakhs.

(Annexure: Table 1.1,1.2,1.3,1.4)

5.4 Findings



5.4.1 Access to Finance

During our survey, it was found that access to finance from Sahulat Microfinance has provided micro-entrepreneurs with an opportunity to grow their businesses. The process of recovery of loan on a daily basis from their shop and accessing loan at their shop itself is a plus factor and has enabled many entrepreneurs to use their services for a loan.

However, 9 out of 33 entrepreneurs that we surveyed expressed a critical need for more funds to grow their business according to their plan but are unable to access it as Sahulat has an upper limit of 50,000 INR and they cannot get it from banks. Therefore, many entrepreneurs feel that Sahulat should increase the upper limit of the loan to 5 lakh INR, as it would provide them with more opportunities to adopt new innovations, offer new products, serve their customers better, and take their businesses to new heights.

5.4.2 Training and Skill Development

During our study, we observed that entrepreneurs who had received some form of training or support, whether formal or informal, were more likely to have the necessary skills to succeed in their business. While only one out of the 33 entrepreneurs associated with Sahulat Microfinance that we surveyed had received formal training, we found that those who continuously upskill themselves, such as the four entrepreneurs who were using online platforms like YouTube to learn new skills, were performing better than their counterparts.

Training and support from established brands or institutions provided entrepreneurs with guidance on best practices, access to new markets, and improved operational efficiencies, leading to increased sales and profitability. These findings highlight the need for more formal and informal training and support to be made available to entrepreneurs in order to help them reach their full potential and succeed in their business.

5.4.3 Digital Platforms and Marketplace

Our survey revealed that entrepreneurs who leveraged digital platforms for their business were able to optimize procurement costs and reach wider audiences, resulting in increased revenue. One micro-entrepreneur who utilized social media to sell printed mugs, t-shirts, and bed pillows was able to generate additional income by reaching more customers.

However, opinions on digital platform adoption among entrepreneurs were mixed. While some saw it as an opportunity to optimize costs and expand their customer base, others viewed online marketplaces as a threat to their business due to increased competition. Some entrepreneurs also felt that they lacked the necessary qualifications or familiarity with technology to make effective use of digital platforms.



5.4.4 Financial Literacy

Based on our survey with entrepreneurs associated with Sahulat, it was evident that a considerable proportion of these entrepreneurs lack the necessary financial literacy required for effectively managing their funds. Although a majority of them maintain records of their gross sales, they exhibit a lack of knowledge about the efficient reinvestment of profits into their businesses. Only a small number of entrepreneurs maintain separate bank accounts for their business, and even fewer have registered for GST (Goods and Services Tax).

Many entrepreneurs are unable to predict unforeseen expenses, and they do not calculate the cost of losses incurred due to factors such as defective or expired products. Additionally, most entrepreneurs are unaware of their actual gross revenue and net revenue or profits. These findings highlight the need for providing financial literacy education to entrepreneurs to enhance their decision-making abilities and improve their financial stability.

5.4.5 Marketing and Branding

Our study revealed that the majority of entrepreneurs associated with Sahulat primarily rely on word-of-mouth marketing and banners outside their shops to promote their businesses. While this may work to some extent, we observed that many entrepreneurs could significantly improve their sales and revenue by adopting more effective marketing strategies. For instance, we found that entrepreneurs in the Maggam Hand work and hosiery manufacturing industries have high demand for their products, but are limited to their local markets and rely heavily on word of mouth. This approach is causing them potential revenue loss.

Similarly, we noted that many entrepreneurs in the garment segment heavily rely on display marketing, which is effective only for customers who enter their shops. Furthermore, we discovered that none of the entrepreneurs we surveyed were working towards branding or creating any positioning for their businesses, despite having a loyal customer base. This highlights the need for entrepreneurs to adopt more effective marketing strategies that include branding and positioning to further enhance their businesses' growth and success.

5.4.6 Supply Chain

During our study, we found that many micro entrepreneurs, particularly hawkers and small shop owners, as well as vegetable and fruit sellers, face significant challenges when it comes to managing their supply chains. One major challenge that they face is that their product requirements are low and cannot meet the minimum order quantity (MOQ) defined by suppliers to provide competitive prices. This results in them having to pay higher prices for their supplies.

Additionally, due to limited options in their local areas, they often have to travel to the nearest city to procure their supplies, resulting in higher logistics costs. Moreover, vegetable and fruit sellers face a more critical issue as they suffer from a minimum of 30-40% waste of their products due to inefficient supply chain management.

5.4.7 Product and Service Innovation

During our study with the entrepreneurs associated with Sahulat, we discovered that there is a significant scope for product and service innovation among these businesses. However, we noticed that none of the entrepreneurs were pursuing innovation in their offerings. There are several reasons behind this lack of innovation, including a lack of knowledge and awareness about potential innovations, insufficient finances to implement their ideas, and a general lack of understanding about the importance of product and service innovation. Some entrepreneurs appeared content with their current offerings and did not want to take any risks that could potentially lead to losses, despite having the potential for growth. These findings highlight the need for entrepreneurs to adopt a more innovative approach to their businesses in order to stay competitive and meet the changing needs of their customers.

Case Study 6: Kifayat Ali, Town: Sadashivpet

Age: 35 years, Education: 12th + ITI Diploma Family Background: Lower Middle Class

Kifayat Ali's journey began at a young age when he started working as a mechanic in a local shop at just 15 years old. Over time, he became skilled in fixing cars and landed a job at a Tata workshop when he turned 19 after completing his ITI diploma.

However, Kifayat's ambitions reached far beyond the workshop. He noticed how rapidly car technology was changing and realized the need to stay up-to-date. So, he took a bold step and left his job to open his own small car repair shop. This decision allowed him not only to serve more customers but also to keep learning about the latest car technologies.

As Kifayat's business continued to flourish, he noticed a significant gap in the market within Sadashivpet. Many people were grappling with car battery issues, and there were no reliable battery dealers in town. To address this need, Kifayat secured a loan of Rs 1 lakh from Khidmat Micro-Finance Society and ventured into selling Amaron batteries.

Moreover, he demonstrated his entrepreneurial acumen by making smart use of digital platforms like Google Business and Just Dial to promote his business. These digital tools ensured that his shop was easily discoverable online, allowing people to find his services with just a few clicks. Today, he proudly manages not one but two battery franchises, including Exide, all while embracing the opportunities offered by the digital age.

Yet, Kifayat's entrepreneurial journey faces a new challenge. He dreams of expanding his business even further, but obtaining funds from banks has proven to be a daunting task. Banks require extensive paperwork and collateral, making it difficult for entrepreneurs like Kifayat to access the capital they need. Government programs haven't provided much help either.

Undeterred, Kifayat is considering borrowing money from private lenders, despite the higher interest rates they charge. He understands the risks but remains determined to continue working hard and improve his business even further.

5.5 Inferences

- Entrepreneurs who have received formal or informal training are more likely to possess the necessary skills to succeed in their businesses. Therefore, it is essential to provide more training and support to entrepreneurs to help them achieve their full potential and succeed.
- Using digital platforms can help entrepreneurs reduce procurement costs and reach a wider audience, leading to increased revenue. However, some entrepreneurs lack the technical expertise or qualifications to use digital platforms effectively.
- Many entrepreneurs do not have sufficient financial literacy, making it challenging to manage their funds effectively. It is crucial to provide financial literacy education to improve their decision-making abilities and financial stability.
- The majority of entrepreneurs rely on word-of-mouth marketing and banners outside their shops to promote their businesses. However, adopting branding and positioning strategies can significantly enhance their sales and revenue.
- Micro entrepreneurs, such as hawkers, small shop owners, vegetable, and fruit sellers, face significant supply chain management challenges. Hence, it is necessary to develop innovative solutions to overcome these issues.
- While there is significant potential for product and service innovation among entrepreneurs, many entrepreneurs lack knowledge and awareness, insufficient funding to implement their ideas, and a lack of understanding about the importance of innovation.

5.6 Recommendations

Based on the findings and inferences from the study, the following recommendations are emerge to promote entrepreneurs in India:

- **Business Mentorship and Guidance:** Many entrepreneurs lack basic business skills and decision-making capabilities. To address these issues, we recommend providing business guidance and handholding support to entrepreneurs. This support can help them grow their business and break out of the vicious cycle they are currently in. Business mentorship can help entrepreneurs develop the necessary skills and knowledge to make informed decisions, manage their finances effectively, and grow their business sustainably.
- **Brand Association Opportunities/Micro-Franchise Opportunities:** We also recommend that entrepreneurs explore opportunities for brand association or micro-franchise options. Associating with a well-known brand can provide entrepreneurs with formal training, better quality products, and the leverage of a trusted brand name to attract and retain more customers. Micro-franchise opportunities can also provide entrepreneurs with more streamlined processes and support, allowing them to focus more on growing their business and less on administrative tasks. This can result in increased revenue and growth opportunities for entrepreneurs.

- **Skill Development and Training:** Focus on providing comprehensive skill development programs that are tailored to the specific needs of youth across different sectors. Collaborate with vocational training institutes, industry experts, and employers to design training modules that equip youth with in-demand skills. Emphasize practical, hands-on training and offer certifications to enhance their employability.
- **Access to Finance:** Establish partnerships with financial institutions to create affordable and accessible credit options for self-employed individuals and gig workers. Explore innovative financing models, such as microfinance initiatives or peer-to-peer lending platforms, to provide financial support for business expansion, equipment procurement, and emergency funds.
- **Entrepreneurship Support:** Offer entrepreneurship development programs that provide mentorship, business planning assistance, and networking opportunities for aspiring young entrepreneurs. Create incubation centers or accelerators that provide access to resources, infrastructure, and guidance to help youth launch and scale their own ventures.
- **Career Counseling and Placement Services:** Develop career counseling centers or online platforms that assist unemployed youth in identifying their skills, exploring career options, and connecting them with job opportunities. Collaborate with companies and organizations to create job placement programs specifically targeting youth and provide support in resume building, interview skills, and job search strategies.



- **Financial Literacy and Management:** Conduct financial literacy workshops and training sessions to educate youth on budgeting, saving, investment planning, and debt management. Offer guidance on accessing formal banking services, understanding insurance schemes, and navigating the financial ecosystem to promote responsible financial practices.
- **Advocacy and Policy Influence:** Engage in advocacy efforts to raise awareness about the challenges faced by youth in the livelihoods sector. Collaborate with civil society organizations and industry associations to advocate for favorable policies, supportive regulations, and increased investment in youth employment and entrepreneurship. Use data-driven insights from the study to influence policy discussions and promote youth-centric initiatives.

- **Technology Adoption:** Leverage digital platforms and technology to bridge gaps in information, market access, and financial services for youth. Develop user-friendly mobile applications or online platforms that provide youth with resources, job listings, training materials, and networking opportunities. Embrace digital payment systems and e-commerce platforms to facilitate transactions and expand market reach for self-employed individuals.
- **Collaboration and Partnerships:** Foster partnerships and collaborations with other organizations, startups, and government agencies working in the livelihoods domain. Pool resources, share best practices, and collectively address the common challenges faced by youth. Collaborate on research projects, knowledge sharing initiatives, and joint advocacy campaigns to maximize impact and create a more supportive ecosystem for youth livelihoods.



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