

Dalberg

Youth Mass Entrepreneurship

CHALLENGES AND OPPORTUNITIES

Executive Summary

Youth Entrepreneurship (India vs World)

- Total early-stage Entrepreneurial Activity (TEA) in India is highest in the age bracket of 25-34, followed by 35-44, 18-34
- Despite the opportunity & skills, ~65% youth entrepreneurs don't start a business because of fear of failure.
- This is substantive evidence of "purpose-driven" entrepreneurship taking hold at the grassroots level, an encouraging sign of a collective will for future business sustainability
- Indian youth entrepreneurs have the highest innovation level in APAC region

Youth entrepreneurs in India are driven by necessity and not by opportunity, and experience a high rate of failure

- The 282mn youth between the ages of 18-29 constitute over 35% of the working age population in India
- Among these youth there exists a high rate of unemployment and an even higher rate of self-employment
- Self-employment in this context is a symptom of lack of jobs; self-employed individuals start businesses to make ends meet, rather than a response to a true opportunity in the market and therefore often do not grow to employ others
- Among youth entrepreneurs, we see that most are in-fact farmers and only between 0.75% and 4% (1-5mn) of the youth workforce are opportunity entrepreneurs who have the capacity to start businesses that hire others
- Most of the Opportunity entrepreneurs are present in the non-agricultural sector, and majority operate outside household with fixed structures
- Unfortunately, even when these youth opportunity entrepreneurs start businesses, they have a higher failure rate than adult entrepreneurs

Youth face challenges in both starting and growing enterprises because of a lack of community support, accessibility of capital, entrepreneurial skills, and appropriate social and business networks; industry exposure reduces the risk of failure significantly

- Entrepreneurial Mindset/Interest is lower in age group 18-24 as compared to age group 25-34
- Fear of failure is one of the biggest obstacle in starting one's own business.
- A need for substantial changes in the present education system is felt . Requirement to integrate entrepreneurial courses in the school curriculum
- Education and training programs do not do enough to nurture entrepreneurial attitudes and skills, but rather prepare students for paid employment, despite some recent improvements in this area
- While Indian youth across the board aspire to become entrepreneurs, families/societies don't support their ambitions
- Lack of Financial Literacy & A lack of personal assets and access to collateral-free loans make it particularly difficult for youth to access finance
- Social Capital increases the intention of entrepreneurial activity in students
- Youth have insignificant opportunities for exposure to quality technical/soft skills that the current education system does not offer
- Furthermore, age is not on their side; critical networks that provide access to clients, talent, mentors, and suppliers take time to develop
- Industry exposure is strongly correlated with success as an entrepreneur; how can youth programming deliver the skills and assets that industry exposure brings in a more directed method and in a shorter time span?

Executive Summary

Youth uplift youth; when youth entrepreneurs are successful, they create more jobs for other youth

- The large number of educated youth and the ability to shape their mindsets towards entrepreneurship make youth an important segment
- The value of focusing on supporting youth entrepreneurs to succeed is because youth have the power to generate jobs for and inspire their peers
- There is a multiplicative effect with youth mass entrepreneurs serving as role models and inspiring more youth to become mass entrepreneurs
- This is, however, a long-term game; even in an optimistic scenario, we could expect 1.2M more youth entrepreneurs once intervention programs reach scale
- We must look beyond the demographic dividend of India and job deficit as reasons for focusing on youth entrepreneurship
- Most of the youth entrepreneurs in India are self employed/necessity entrepreneurs, operating in high competition industries, with low barriers to entry, etc. (If we need to create Opportunity entrepreneurs, then we need to re-think from a policy perspective)
- Policy should target resources on young people with the best chance of success, provide sufficient support to allow them to start businesses outside the low entry barrier but high competition sectors, and provide integrated packages of complementary support

There are some clear opportunities for youth to engage in industries that need and lend themselves well to mass entrepreneurship

- We see three high-potential industries that lend themselves to accelerating the generation of youth-led mass enterprises: Construction, Hospitality, and Food Processing. Businesses in these industries are small, easy to start, attract youth, and have low entry barriers making them ideal for youth-led mass entrepreneurship
- Government programs like “housing for all”, and large infrastructure projects make the construction industry rife with opportunities especially for MEs since barriers to entry are low
- Demand for hotels is growing at 2x the rate of supply even though India’s current supply is 0.24M beds compared to a need for 1.4M
- Indians spend 31% of their earnings on processed food and these businesses are diverse, local, and small – with just 4.2 workers per employer

Youth Aspiration & Attitudes

- Youth want to be entrepreneurs
- Youth want more mentorship and career counselling services
- Education and training as well as academia and research are preferred industries for starting a business
- Higher education degrees are highly valued, but youth also want new skills
- Women prefer full-time careers, have less paid work experience, and feel less prepared: 82 percent of female youth prefer full-time employment as their ideal time commitment for work
- while 96 percent of female respondent’s report being very or moderately interested in pursuing skills development training, only 19 percent have ever enrolled in one. In comparison, 26 percent male respondents have enrolled in one
- Job searches have gone digital, but employers and recruiters have not
- Youth are cautiously optimistic about the gig economy
- Youth see high value in human-centric and soft skills
- Information asymmetry, lack of guidance and work experience are impeding Indian youth from meeting their career aspirations

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Annexure:

1. Women Youth Entrepreneurs
2. Special Focus: Punjab & Karnataka



Youth Entrepreneurship India vs World



Youth Entrepreneurship: India vs World

Attitudes and perceptions				Motivational <i>(somewhat or strongly agree)</i>			
	% Adults	Rank/50		% TEA	Rank/50	% Female TEA	% Male TEA
Know someone who has started a new business	64.4	10	To make a difference	86.8	1	88.5	85.7
Good opportunities to start a business in my area	83.1	2	Build great wealth	87.2	3	83.1	90.1
It is easy to start a business	80.0	5	Continue family tradition	79.8	2	81.0	78.9
Personally have the skills and knowledge	85.2	1	To earn a living	87.5	10	84.1	89.9
Fear of failure (opportunity)	62.4	1					
Entrepreneurial intentions	33.3	13					

Activity				Entrepreneurship impact		
	% Adults	Rank/50	% Female	% Male	% Adults	Rank/50
Total early-stage Entrepreneurial Activity	15.0	13	12.7	17.1	1.6	=38
Established Business Ownership rate	11.9	10	9.1	14.6	0.1	=49
Entrepreneurial Employee Activity	0.2	=47	0.0	0.3	0.3	=42
					0.0	=45
					3.3	47

An equals sign (=) indicates that the ranking position is tied with another economy or economies

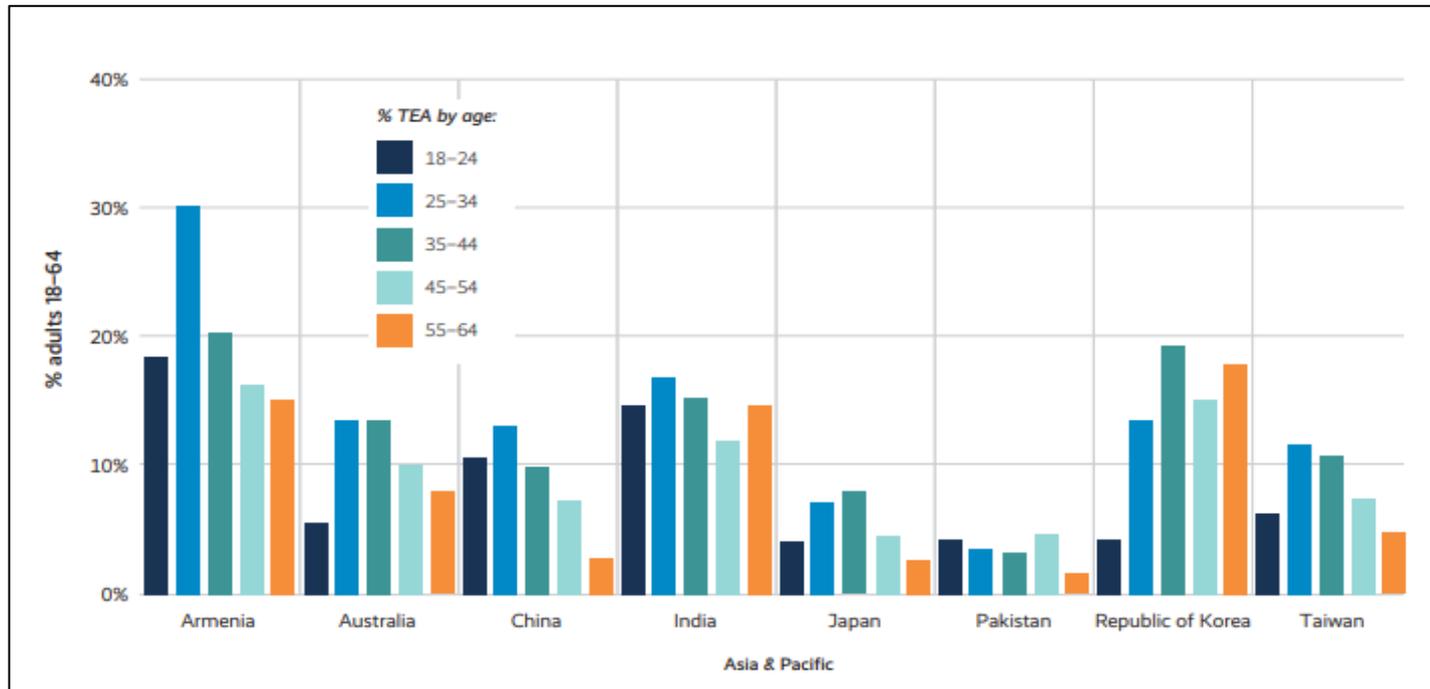
Global Entrepreneurship Monitor 2019/2020 Global Report

Assumption: the above survey is conducted for age group 18-64. Assuming youth are driven by the same environment, this may apply to them as well

- 80% of Indian entrepreneurs feel there are good opportunities to start a new business in their area. India ranks second in this parameter
- 85% adults feel they personally have the skills and knowledge
- ***However, despite the opportunity & skills, they don't start a business because of fear of failure. (# 1 in Fear of Failure)***
- Motive: Proportion of adults engaged in TEA who agree they have started their business to make a difference is seven out of 10 in India. (Ranks highest)
- Additionally, continuing a family tradition is agreed as a motive for starting the business by more than eight out of 10 in India (Ranks second highest)
- ***This is substantive evidence of "purpose-driven" entrepreneurship taking hold at the grassroots level, an encouraging sign of a collective will for future business sustainability***
- India ranks lowest in "Intrapreneurship/low employee entrepreneurship activity"

Youth Entrepreneurship: India vs World

High Early-Stage Entrepreneurial Activity found in age bracket 25-34



The age profile of TEA (% adults): Asia & Pacific Source: GEM Adult Population Survey, 2019

- **Total early-stage Entrepreneurial Activity (TEA) in India is highest in the age bracket of 25-34**, followed by 35-44, 18-34
- TEA for India across age groups –over the years (2015-2018)
 - TEA for age 18-24 has continuously been increasing from 2015 to 2018 (8.7% to 12.3%).
 - TEA for age 25-34 saw a significant increase from 2017 to 2018 (8.5% to 13.3%)
 - TEA for age 35-44 saw a decline from 2017 to 2018
- **India has higher levels of early -stage entrepreneurial activity (15%) as compared to established business ownership rate (11%)**

- **Indian youth entrepreneurs have the highest innovation level in APAC region**
- **55 percent of Total Early-stage Entrepreneurial Activity (TEA) showed innovation-orientation** for entering new markets or introducing new products, service, or processes that are unique to market.
- **Consumer services sector is the most preferred sector for new entrepreneurs in India.** It may be due to relatively low-cost and low barriers to entry — an “easy win” for new entrepreneurs — but competition is fierce and margins low



The state of youth entrepreneurship



Status of Youth LFPR, WPR, Unemployment rate & Education

(in per cent)

Approach	15-17 Years	18-29 Years	30 Years & above
UPS	10.7	49.0	59.7
UPSS	14.1	52.0	62.8

Labor Force Participation Rate for different age groups and by two different approaches

(in per cent)

Approach	15-17 Years	18-29 Years	30 Years & above
UPS	8.8	42.7	58.8
UPSS	12.7	47.1	62.3

Worker Population Ratio for different age groups and by two different approaches

(in per cent)

Approach	15-17 Years	18-29 Years	30 Years & above
UPS	17.5	12.9	1.4
UPSS	10.2	9.4	0.8

Unemployment Rate for different age groups and by two different approaches

Educational Classification	Employed	Un-employed	Not in labour force
Not Literate	50.3	1.8	47.9
Below Primary	50.9	2.1	47.0
Primary	56.2	2.3	41.5
Middle/Secondary/Higher Secondary	40.5	4.7	54.8
Diploma/Certificate	32.3	9.3	58.4
Graduate & above	40.4	15.6	44.0

Distribution of persons by educational classification based on Usual Principal Status Approach for the age group 18-29 years (in %)

- LFPR is increasing with the age (becomes constant at 30-34 and starts declining from age 35-39, over the years)
- Similarly, WPR is also increasing with age
- However, unemployment rate is highest in the younger cohorts (15-17 & 18-29)
- As the education level rises, the unemployment rate is also increasing.
 - The Unemployment Rate for the persons aged 18-29 years and holding a degree in graduation and above is found to be maximum with 28 per cent
 - The Unemployment Rate for the persons aged 18-29 years and having educational qualification "below primary" and "primary" is about 4 per cent

Majority of the employed youth are self employed, mostly employed in Agriculture, forestry & fishing section. However, there has been a significant change from Agri to non-Agri activities over the years

Head	15-17 Years			18-29 Years			30 Years & above		
	R	U	R+U	R	U	R+U	R	U	R+U
Self Employed	44.3	36.2	43	44.5	34.4	41.9	55.9	42.6	52.3
Wage/ Salaried employee	5.3	16.9	7.0	12.9	35.6	18.6	9.3	34	15.9
Contract Worker	2.2	5.1	2.6	3.8	6.6	4.5	2.0	4.0	2.5
Casual Worker	48.3	41.8	47.3	38.8	23.4	34.9	32.9	19.3	29.2

R-Rural; U-Urban

Activity Wise distribution of workers by different age groups (in %)

Code	Rural +Urban		
	15-17 Years	18-29 Years	30 Years & above
Code1	52.6	38.5	48.5
Code2	0.9	0.9	1.0
Code3	14.7	13.9	9.7
Code4	0.4	0.6	0.7
Code5	16.7	14.7	10
Code6	10.2	18.5	16.5
Code7	0.6	4.0	4.2
Code8	3.0	8.4	8.9
Code9	1.0	0.5	0.7

Distribution of workers by NIC 2008 based on Usual Principal Status Approach by different age groups (in %)

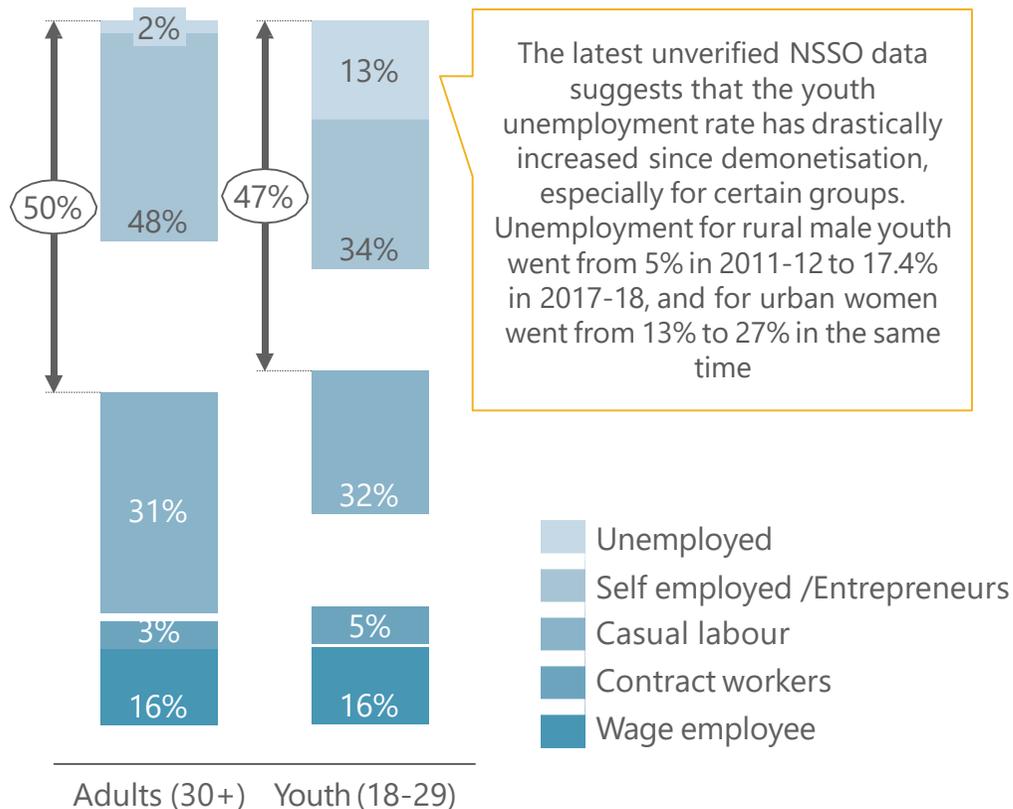
- Majority of the persons employed are either self-employed or casual worker for the age group 18-29 years
- 41.9 percent employed persons are self-employed followed by 34.9 percent as casual worker and the remaining 23.1 percent as wage/salaried employee and contract category worker for the age group 18-29 years.
- With the increase in education level, the unemployment rate is also increasing for the age groups 18-29 years.

- Majority of the persons are employed under or Agriculture, forestry and fishing section across all three age groups (Code 1)
- Significant number of persons are also found to be in construction (Code 5), manufacturing, (Code 3) wholesale and Retail Trade sectors (Code 6)
- However, there has been a significant shift of youth from agricultural to nonagricultural activities over the years (from 1993 to 2007-08)
 - increase from 31.4 %to 45.6%

Among these youth there exists a high rate of unemployment and an even higher rate of self-employment

Employment patterns among adults and youth

Percentage, 2015

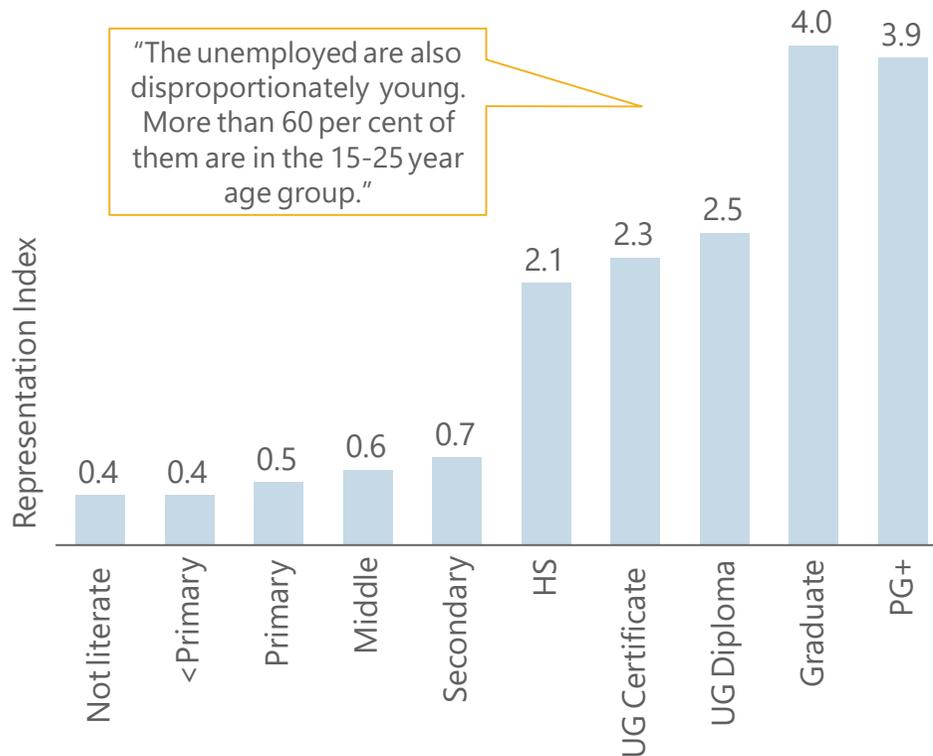


- Within the workforce, employment as **casual, contract, and wage employment is similar** between youth and adult populations suggesting that individuals **rarely move from one category to another** as they age
- However, we see that **as unemployed youth grow older** and are unable to find employment opportunities, **they become self employed** in order to make ends meet
- Since parents can afford to look after them, unemployed youth look for jobs but as they get older and need to fend for themselves or find simple opportunities to take up, they become self-employed
- In fact, **self employment is actually a form of disguised unemployment**, caused by a lack of jobs
- Disturbingly, we see that the combined rate of unemployed plus self-employed/entrepreneurs does not change significantly

Unemployment rates are especially high among those with higher levels of education

Levels of unemployment rise with educational attainment

Representation in unemployment by level of education
Representation Index, 2018



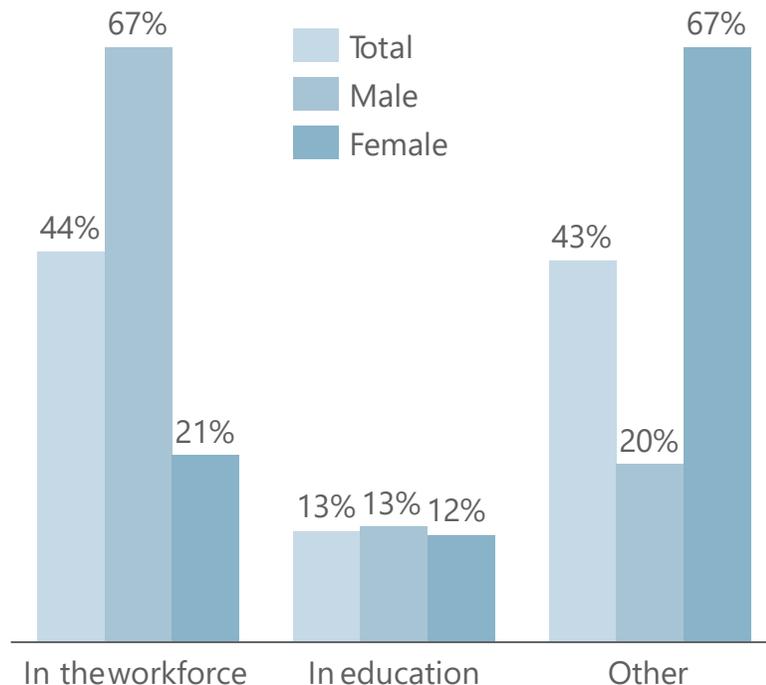
- Unemployment rates are seen to increase with education level, and this educated unemployment is concentrated among youth
- One reason for this correlation might be an unwillingness to settle for a job not adequately matched to the skill set imparted by higher levels of education
- This correlation might also arise from the level of family wealth – youth with higher levels of education are likely to come from families which are better off, and can hence afford to remain unemployed while in search of better jobs

India's 282 M youth make up 35% of the country's working age population and 25%, or 128M, of the overall workforce

43% of India's youth population are neither in the workforce nor in schools/colleges

Youth (ages 18-29) in different activities

Percentage, 2016



- India has **282M individuals between 18-29** who constitute 35% of the working age population and **128M of these participate in the workforce**
- The workforce includes the unemployed who are actively looking for work
- If the youth in education are discounted, youth and adults have similar rates of labour force participation - 43% of youth don't participate in the workforce or in education, compared to 42% of adults.

[Source: PopulationPyramid.net](#) ; [World Development Indicators](#) ; [Ministry of Labour and Employment, Report on Youth Employment-Unemployment Scenario Volume 2, 2015-16](#) ; [MHRD report on Education, 2016](#) ; [All India Survey on Higher Education, 2015-16](#) ; [Dalberg Analysis](#)

Joblessness among the Youth – declining with Education unlike unemployment rate. However, increases post secondary education level

Educational Level	1983			1993-94			2004-05			2007-08		
	All	Rural	Urban	All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
All	41.8	44.5	29.7	27.5	26.4	30.6	25.9	25.6	26.8	27.4	27.5	27.2
Not Literates	56.9	60.4	33.6	35.9	33.9	49.6	38.7	37.3	47.5	45.4	44.0	53.4
Literates	19.8	17.4	26.6	23.6	21.7	27.1	22.8	21.9	24.6	24.3	24.0	25.0
No Formal Schooling	-	-	-	-	-	-	-	-	-	45.2	43.8	52.6
Below Primary	13.5	12.0	26.8	29.5	27.2	37.7	30.1	28.8	36.3	35.6	35.0	38.5
Primary	20.8	18.1	29.1	27.5	24.3	37.1	26.4	24.9	31.6	31.1	29.6	37.5
Middle	21.8	20.1	24.0	21.3	18.8	26.9	21.4	19.3	26.7	22.8	21.3	27.0
Secondary	23.1	22.1	24.4	19.2	18.7	19.8	17.9	18.2	17.5	18.6	18.8	18.2
Post-Secondary	24.3	20.2	37.4	35.0	33.5	35.8	32.2	30.2	33.4	29.1	31.2	27.8

Note: 1. Figure presented are in percentages; 2. Usual status (including principal and subsidiary); 3. **Youth** mean 15 to 24 year age group; 4. Secondary includes higher secondary below graduation.

Source: Computed using NSS Employment and Unemployment Survey unit record data.

The discouraged young workers are those young people who are neither in education/attending educational institutions or employment, and they may not be actively searching work. They are not searching for work because they know or believe that acceptable employment is not available (O'Higgins, 2008).

- The joblessness among the youth in India seems to be significantly high where about 25.9 per cent of youth population was found to be jobless in 2004-05
- The joblessness, however, is declining over a period.
- It declined from 41.8 to 25.9 per cent during the period 1983 and 2004-05.
- It is evident that the joblessness among the youth is much higher than the incidence of unemployment.
- Unemployment rate is for the labor force and the incidence of joblessness is for the population.
- The incidence of joblessness varied with the literacy status and level of education of the youth population.
- The incidence of joblessness between the literate and illiterate youth indicates that the joblessness was distinctively higher among the illiterates than that of the literates
- It is a distinct pattern when compared to unemployment rate between literate and illiterate youth.
- In terms of the level of education, unlike the pattern of unemployment rate which was increasing with the level of education, the joblessness among youth was in fact declining with the level of education up to secondary level. But it was the highest among those who had post-secondary level education; it was 32.2 per cent in 2004-05.

Most self-employed start businesses out of necessity because of a lack of jobs

Most of India's self employed youth have been forced into starting businesses for lack of other options, and hence classify as 'necessity entrepreneurs' as opposed to 'opportunity entrepreneurs'

	Typical Necessity Entrepreneurs	Typical Opportunity Entrepreneurs
<p>Opportunity Entrepreneurs Entrepreneurs who start businesses where they see a market opportunity.</p>	<p>Self Starters who are open to taking risk — Low</p>	<p>+ High</p>
<p>Necessity Entrepreneurs Become entrepreneurs because they can't find alternate jobs and typically work in semi-skilled or unskilled roles.</p>	<p>Have long term vision — Low</p>	<p>+ High</p>
	<p>Understand market need — Low</p>	<p>+ High</p>

Opportunity entrepreneurs* are far more successful at their businesses than necessity entrepreneurs

31x

The average opportunity entrepreneur hires **31x as many employees** as the average necessity entrepreneur, globally

Most **necessity entrepreneurs** are in the **informal sector running small low-productive businesses** as opposed to **opportunity entrepreneurs** who run **high-productive high-skill businesses in the formal sector** and create large numbers of jobs.

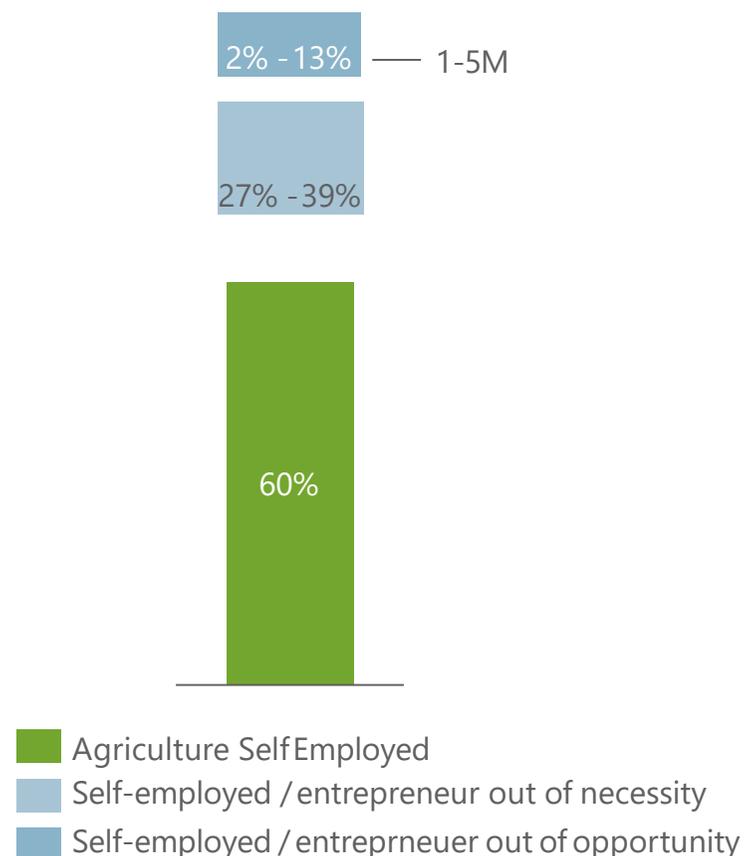
Mass entrepreneurs are nearly always opportunity entrepreneurs or necessity entrepreneurs who have developed mindsets similar to opportunity entrepreneurs

Source: [Informality and Development](#). *While the study measures the differences between formal and informal businesses, we use formality as a proxy for opportunity vs necessity since there isn't a way to quantify the difference between opportunity vs necessity

Less than 15% of self-employed youth are opportunity entrepreneurs

60% of youth self-employed/entrepreneurs are primary cultivators

Percentage (modeled), 2015



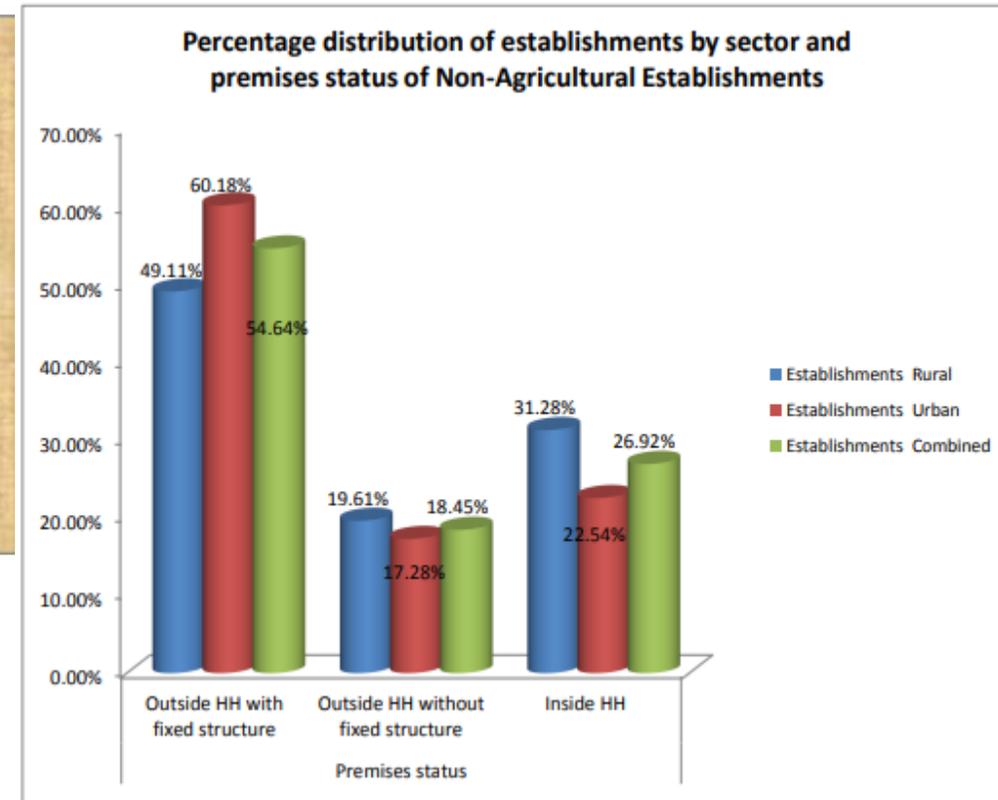
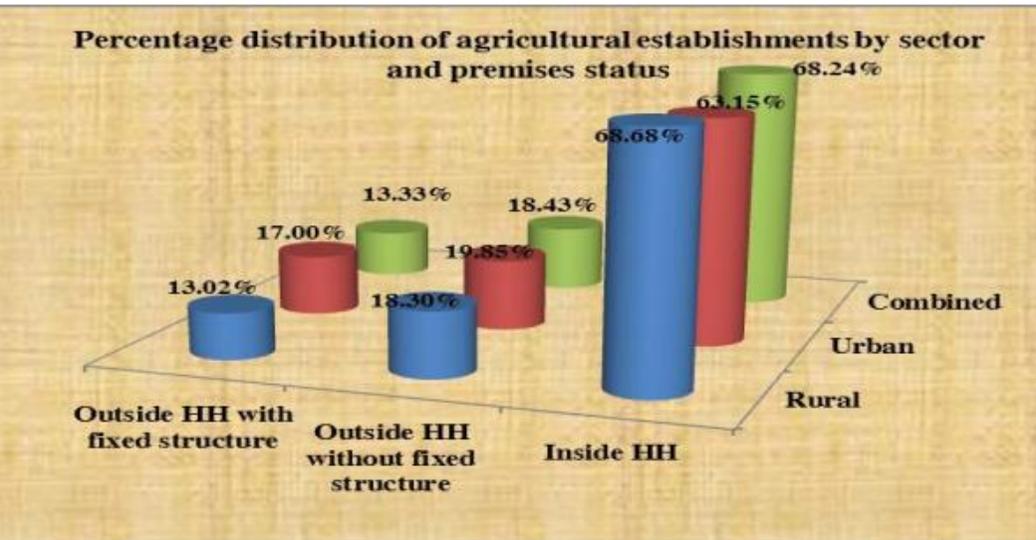
- 60% of youth self-employed/entrepreneurs, i.e **20% of the youth workforce**, are primary cultivators. These are **primarily land-owning farmers**
- **Opportunity entrepreneurs** make up between 2% and 13% of self-employed/entrepreneurs, which translates to **0.75% - 2% of the youth workforce or 1M to 5M youth**

Assumptions in the model

- One way to distinguish between necessity and opportunity entrepreneurs is by firm size. Typically necessity entrepreneurs hire only one or two but opportunity entrepreneurs hire far more employees. We assume that the number of opportunity entrepreneurs will be less than the number of entrepreneurs that hire at least one employee and more than the total number of entrepreneurs that hire 5 or more employees. We use this as the lower and upper limits of the range in the model
- We know the proportions of all entrepreneurs hiring 'at least one' and '5+' employees respectively from the Economic Census
- We assume that the same proportions hold for youth though we expect that a youth entrepreneur will hire fewer workers than an adult entrepreneur on average

Opportunity entrepreneurs are present in the non-agricultural sector, and majority operate outside household with fixed structures

vis a via necessity entrepreneurs who operate within HH (or within HH without Fixed premises)



- 68.2% of the Agricultural Establishments are ***inside the household*** as compared to ***only 26.8% of the non-agricultural establishments***
- **Scope of opportunity entrepreneurship is higher in the non - agricultural sector)**
- ***54.6% establishments of non-agricultural sector are outside household with fixed structure as opposed to only 13.3% of the agricultural entablements***

Assuming opportunity entrepreneurs operate at commercial spaces and necessity entrepreneurs operate within the household preemies (low capital, low manpower etc.)

Even among opportunity entrepreneurs, youth have lower business success rates than adults

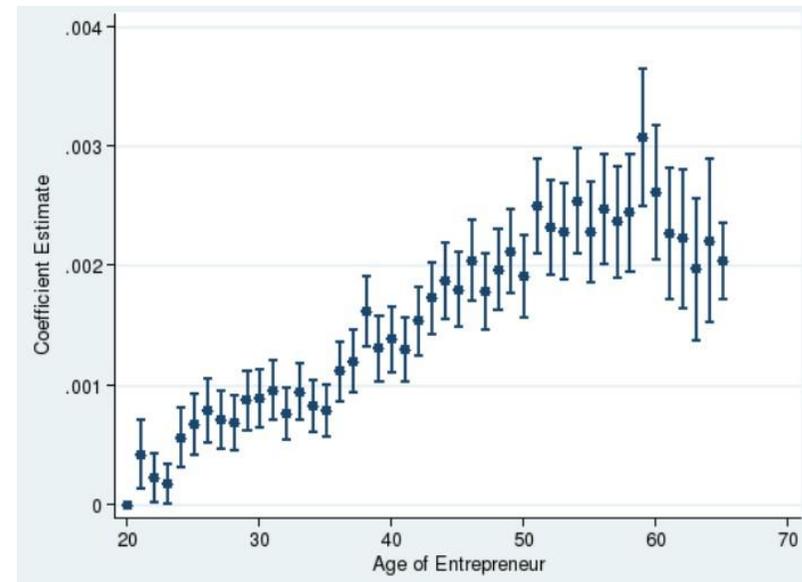
Compared to entrepreneurs below the age of 30, entrepreneurs above the age of 30 are

2x More likely to see high growth

3x More likely to successfully exit

14% Less likely to shut down their business

Probability of a successful exit for a business is directly proportional with entrepreneurs age at the time of founding the business



“Exits” and “high growth” aren’t the defining goals of an ME. However, they serve as indicators of capability and success in running a business. Hence, they give a directional sense of how successful a youth ME would be, as compared to an older ME with work experience.

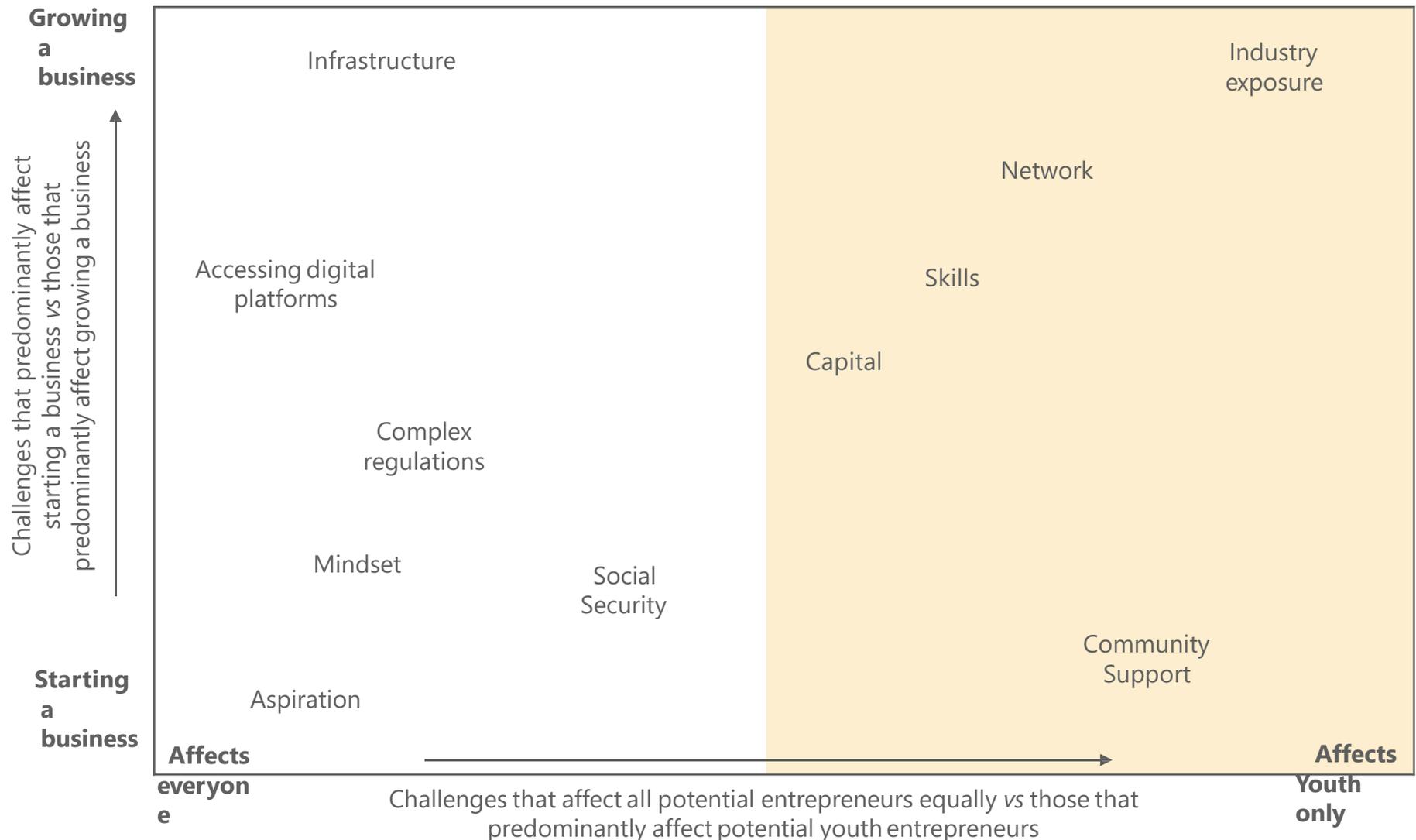
Since data wasn’t available for mass entrepreneurs, we use tech entrepreneurs as proxies



Why youth aren't becoming entrepreneurs



There are a number of challenges that entrepreneurs face in starting and growing their businesses



Source: Dalberg Analysis

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network

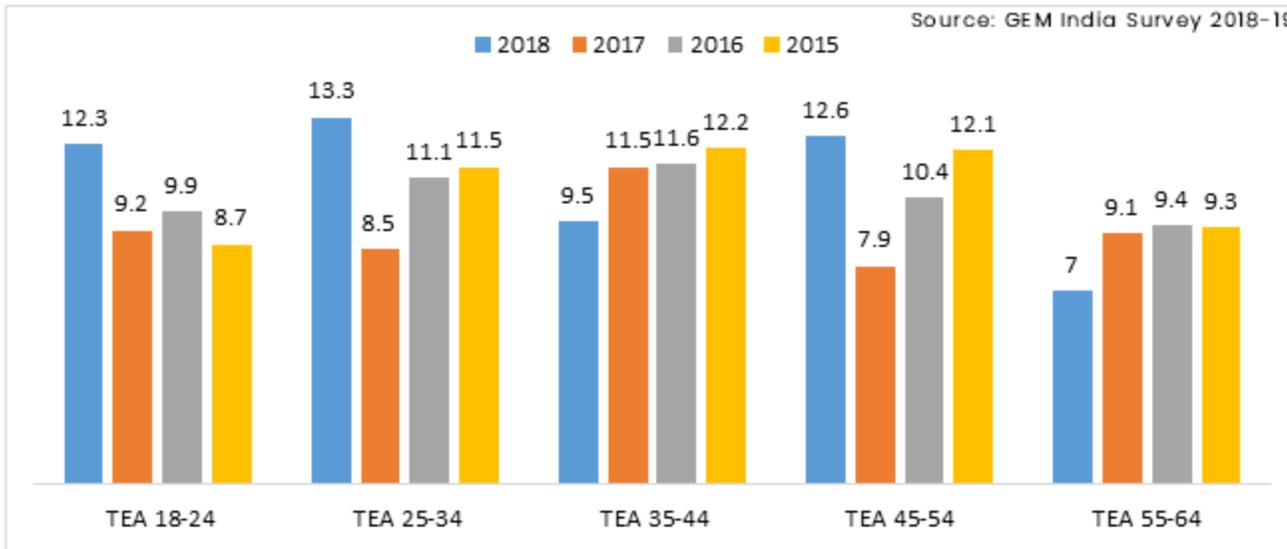


Skills



**Industry
exposure**

Entrepreneurial Mindset/Interest is lower in age group 18-24 as compared to age group 25-34

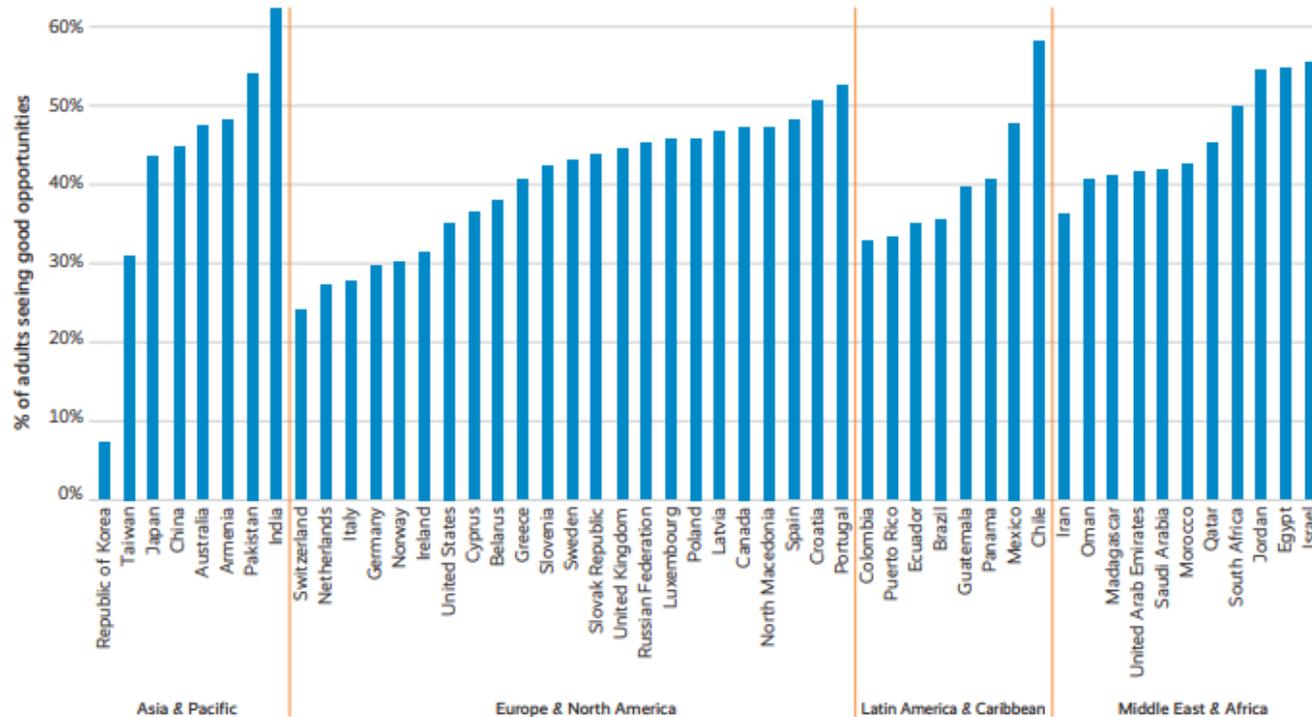


TEA by Age groups in India: A Comparison of Last Four Years
TEA: Early-Stage Entrepreneurial Activity

- Assuming TEA is equivalent to entrepreneurial mindset/interest
- TEA of 18-24 < TEA OF 13.3 across 2015,16,17 & 18 (except in 2017 : the year of demonetization)
- This mean nascent/more entrepreneurs are higher for age group 25-34 as compared to age 18-24
- **This could be due to higher risk of failure in age 18-24 and lack of entrepreneurial mindset**

“Children in India often grow up with a fear of asserting themselves,” says Meenal Patole, CCFID’s Head of New Initiatives
They are not encouraged to try new things. As they mature, they become increasingly risk averse.

Fear of Failure is high for youth entrepreneurs especially in the age group 18-24



There are good opportunities, but would not start a business for fear of failure (% adults)
Source: GEM Adult Population Survey, 2019

- According to Amway India Entrepreneurship Report (AIER) 2017 conducted by Nielsen , 61 per cent of students in India consider entrepreneurship as a good prospect to earn a livelihood
- **However, said 71 per cent respondents cited 'fear of failure' as the biggest obstacle in starting one's own business.**
- **To facilitate this, a majority (78 per cent) categorically expressed a need for substantial changes in the present education system with 75 per cent appealing for entrepreneurial courses in the curriculum**

Surveyed 10,809 final-year undergraduate students (Age 18-24) from 28 cities and 28 small towns/rural areas across 21 Indian states

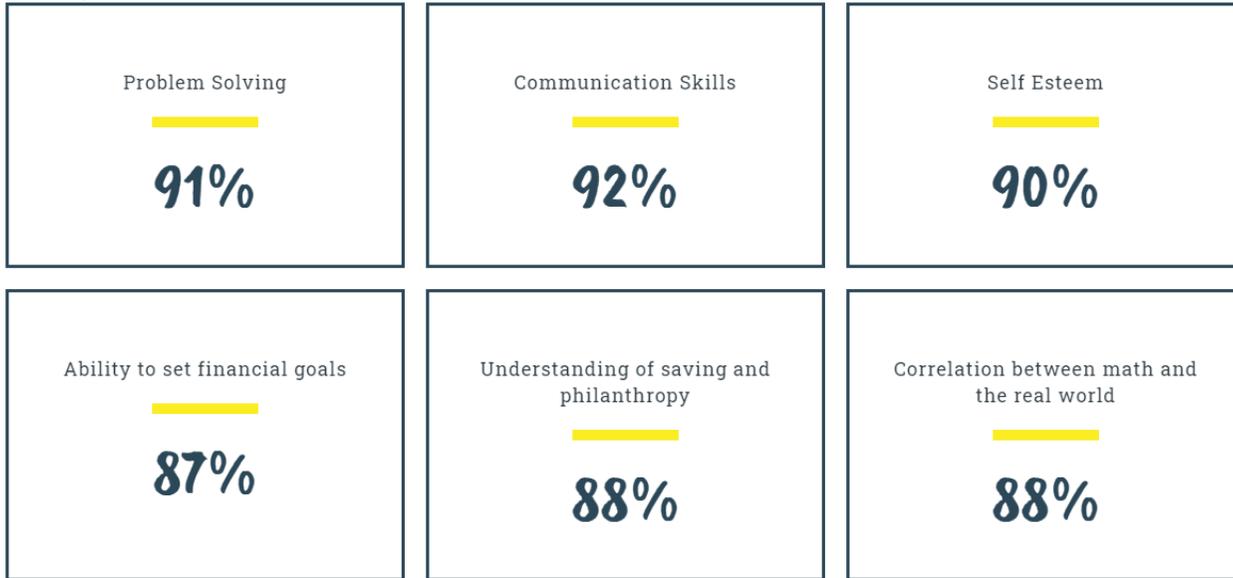
Despite the NEP 2020's focus on entrepreneurship education, there is inadequate entrepreneurial learning (primary, secondary & tertiary levels)

- 1. General lack of introduction and adoption of enterprise education:** In many countries, particularly in developing and transition countries, enterprise education simply does not exist or has not been sufficiently adopted*
- 2. When not applied in a holistic manner, it is often not including both the in-school and out-of-school youth.** Furthermore, it is not applied on all different levels of education (primary, secondary, technical and vocational and higher education).
- 3. Inadequate Curricula and study programmes:** Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance. Moreover, an academic approach to education nurtures skills that are appropriate to working in the public sector or large organizations and companies but not for an entrepreneurial career.
- 4. Negligence of students' personal environment (parents and family members):** Entrepreneurship education initiatives often disregard the important role of family members of young people and their parents in particular. Creating awareness among family members regarding the importance stimulating entrepreneurial culture is crucial.
- 5. Lack of a standard framework:** Entrepreneurship education is widely spread, has diverse forms and has a large number of stakeholders. But the overall state of affairs is a confused one, one that lacks broad vision, goals, and systematic planning (akin to the 5-year plans for the economy). The lack of a standard framework is a big challenge to the development of entrepreneurship education in India
- 6. 85% of CBSE teachers are not well trained to deliver entrepreneurial curricula**

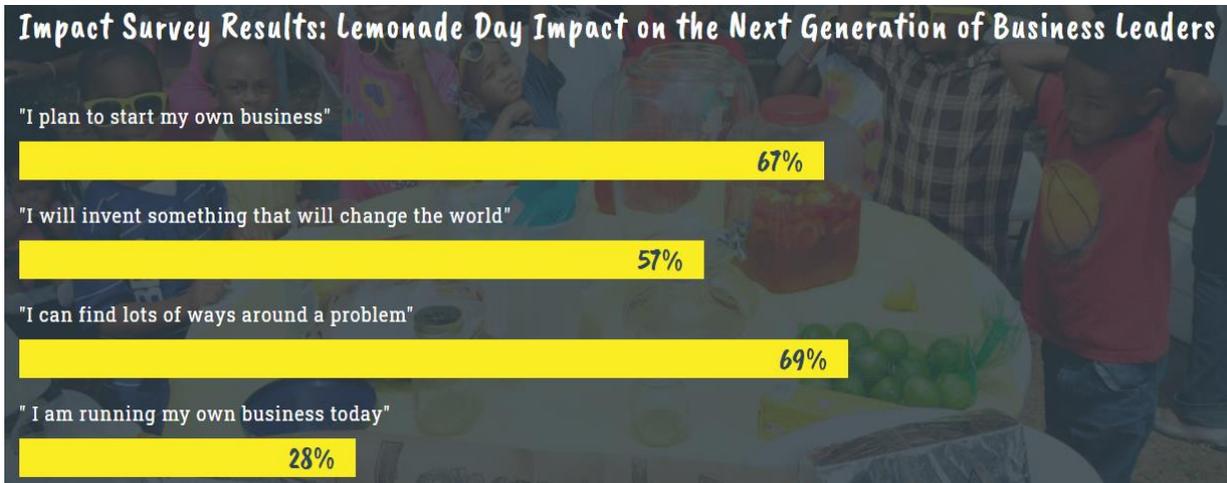
It is generally argued that education and training programs do not do enough to nurture entrepreneurial attitudes and skills, but rather prepare students for paid employment, despite some recent improvements in this area (Potter, 2008).

Given the number of students, the entrepreneurship infrastructure in educational institutions is quite inadequate. For example, of the 620 universities and over 33,000 colleges, only about 200 have Entrepreneurship Development Cells. And not all cells are very active.

Entrepreneurship Challenge for School Kids: Lemonade Day



- Lemonade Day is a strategic lesson-based program that walks youth from a dream to a business plan while teaching them the same principles required to start any company.
- Inspiring kids to work hard and make a profit, they are also taught to spend some, save some and share some by giving back to their community.
- Since its launch in 2007 in Houston, Texas, Lemonade Day has grown from serving 2,700 kids in one city to 1 million children across North America.
- **Lemonade Day sparks the spirit of entrepreneurship and empowers youth to set goals, work hard, and achieve their dreams.**
- Adopted by 60+ countries across the globe to build entrepreneurial learning in students



"Lemonade Day is empowering the youth of today to be the leaders of tomorrow. The program inspires kids to go beyond the status quo. There is a level of independence and self-determination gained from Lemonade Day's lessons, and we will continue to ignite the entrepreneurial spirit of our children."

-CHARLIE HAMILTON, LEMONADE DAY NATIONAL BOARD CHAIRMAN

Entrepreneurship Mindset Curriculum: Delhi Government

Entrepreneurship Mindset Curriculum

OBJECTIVES

- Develop key building blocks such as critical thinking, confidence and creativity
- Develop foundational abilities like problem solving, communication and collaboration
- Develop entrepreneurial abilities like recognising opportunities, taking risk and bouncing back from failure
- To enable students to dream and pursue their dreams with zeal
- Be happy and joyful
- Be lifelong learners

Components of the syllabus will be covered through stories, activities, and exercises via daily classes to develop human facets



Deputy CM Manish Sisodia and MDH founder Mahashay Dharampal Gulati during the launch of the curriculum on Wednesday. **•R.V. MOORTHY**

Evaluation: No written examination. Curriculum will focus on the process rather than the outcome

About entrepreneurship curriculum:

- The Delhi government's flagship 'Entrepreneurship Mindset Curriculum' programme was launched earlier this year for Classes 9 to 12 in all Delhi government schools
- A major component of the programme involves the entrepreneur community of the city to engage with children on a regular basis

"The stress should be on shifting the mindset amongst our young generation from getting employed to employing others. The transition from being a job seeker to a job creator," Sisodia said.

"99 per cent of the graduates coming out of our colleges today are job seekers. If this is allowed to continue, India will always remain a job seeker economy. We have to become a job creator economy."

Tinkering Labs & India's Future Tycoons Challenge with School Students

ATL is a workspace where young minds can give shape to their ideas through hands on do-it-yourself mode; and learn innovation skills. Young children will get a chance to work with tools and equipment to understand the concepts of STEM (Science, Technology, Engineering and Math). ATL would contain educational and learning 'do it yourself' kits and equipment on – science, electronics, robotics, open-source microcontroller boards, sensors and 3D printers and computers. Other desirable facilities include meeting rooms and video conferencing facility.

Financial Support

AIM will provide grant-in-aid of Rs. 20 Lakh to each school that includes a one-time establishment cost of Rs. 10 lakh and operational expenses of Rs. 10 lakh for a maximum period of 5 years to each ATL.

Eligibility

Schools (minimum Grade VI - X) managed by Government, local body or private trusts/society to set up ATL.

India's Future Tycoons is a National entrepreneurship competition of young minds, held every year. Top 400 teams were picked in 2020 to ideate, innovate and therefore change the future of Indian education system. The selected teams go through a month long entrepreneurship learning bootcamps before they convert their ideas into real products and pitch before mentors. The winners get financial rewards and 6-month long mentorship training to bridge the product into the market



Launched India's Future Tycoons (IFT #1)

With 3300+ students across 52 cities, IFT became India's 1st entrepreneurship search & mentorship platform for young adults

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network



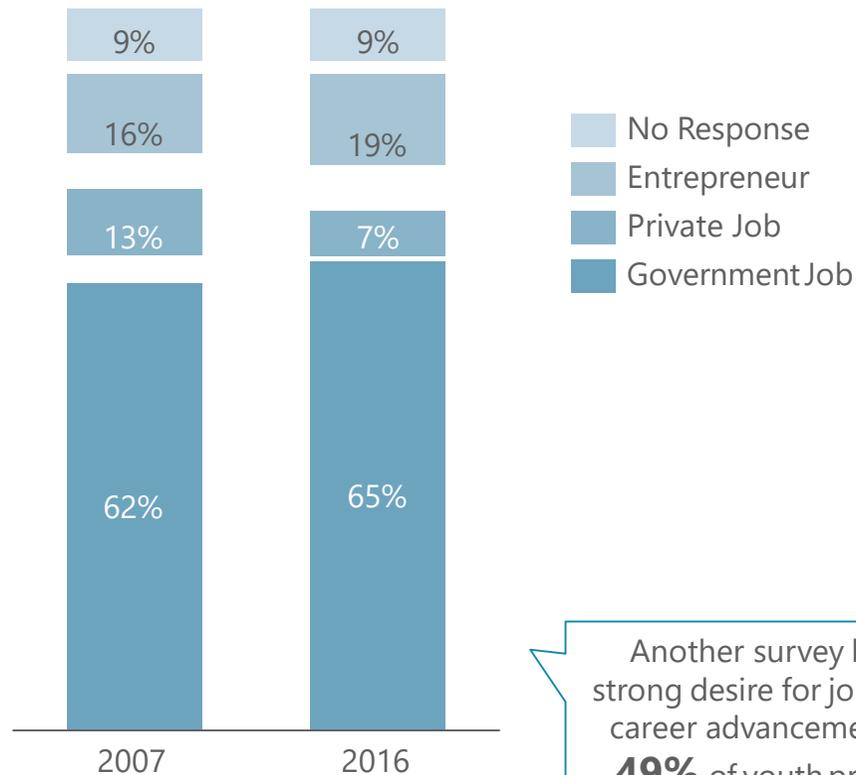
Skills



**Industry
exposure**

Indian youth have consistently shown a strong preference for government jobs over entrepreneurial careers

Most youth prefer government jobs, and this preference has increased over time



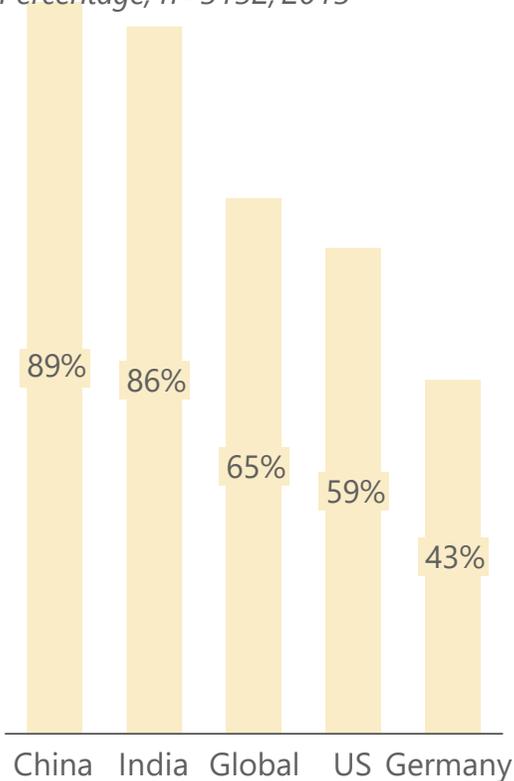
Another survey by ORF has uncovered that a strong desire for job security and opportunities for career advancement is evident among youth, as **49%** of youth prefer a job in the public sector”

- As a group, **youth are seen to prefer government jobs** over all other forms of employment as their first choice
- The reason for this preference is thought to be a desire for good salaries, and job security offered by the public sector
- It is not clear if this desire is shaped by the youth themselves or by societal/familial pressures around them

However, many Indian youth do aspire to become entrepreneurs at some point in the future

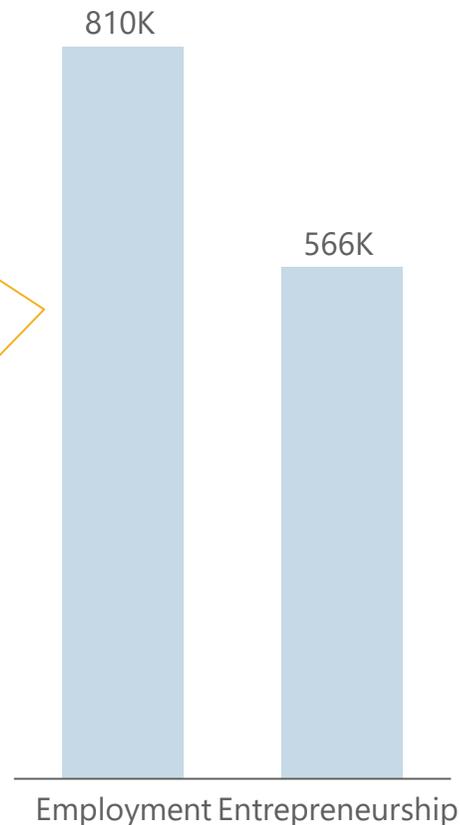
Percentage of youth (18-25) who want to become entrepreneurs at some point in their lives

Percentage, n=5152, 2015



The "Project for Livelihoods in Full Employment" under MGNREGA gives youth the option to train in employment or entrepreneurship

Number of youth who pick entrepreneurship training over employment training



- While entrepreneurship might not be their first choice, **Entrepreneurship aspiration levels are high** among Indian youth
- This is **not just highlighted through surveys but also by seeing choices that youth make** in the livelihoods programs they pick
- MGNREGA is one of the largest rural livelihood programs in the world and when youth in a MGNREGA training program had a choice in the training they would like to receive, **41% picked entrepreneurship over employment**

These aspirations are thwarted by a culture that discourages entrepreneurship



India ranks a respectable 38th out of 124 countries on an individual's risk acceptance for entrepreneurship



However, India ranks 86th out of 137 countries on cultural support for risky entrepreneurship over low-risk employment

- While a sizeable population of the Indian youth **aspires to be an entrepreneur** and is **willing to accept the risk** to start a business, he/she is **curtailed by his/her family and society**
- Lack of cultural support is more challenging in a country like India because of the **outsized role family and society play in the lives of youth**
- Part of the reason for this is India's socialist past where **businessmen were often seen as unscrupulous and undesired**
- Another reason is that the **instability of entrepreneurship** makes it harder for an individual to find a spouse or support his/her family

Entrepreneurs in a country with a weak entrepreneurship culture find it

4x More difficult to access funding. This difference is exacerbated for youth (18-35) entrepreneurs

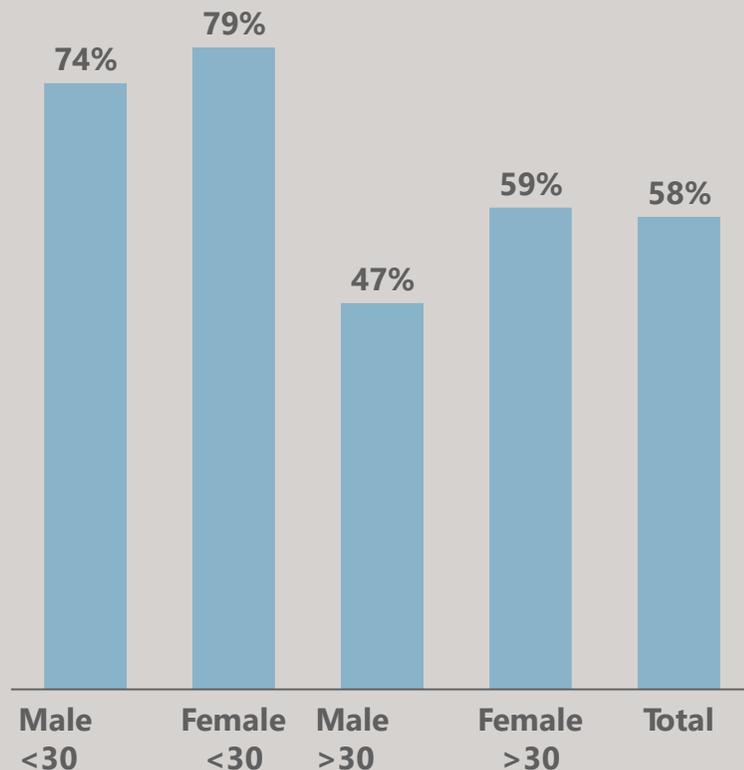
3x More difficult to access mentors

1.5x More difficult to start a business

TV shows like Dragon's Den and the Apprentice in the UK have improved the cultural perception of entrepreneurship

Entrepreneurial TV shows in the UK have led to 58% of those surveyed having a more positive perception of entrepreneurship

n=1000, 2009



The Apprentice is a TV show where Candidates compete on entrepreneurial skills like salesmanship, negotiation, requisitioning, leadership

The past few seasons had ~7 million viewers per episode



Dragon's den is a TV show where entrepreneurs pitch their business to investors for equity

The current season has ~3 million viewer per episode and is the most popular show on BBC two

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network



Skills



**Industry
exposure**

Limited Financial capability, financial literacy(FL), financial inclusion in age group 15-35 (70% of youth are financially illiterate, however, highest youth FL among all age groups, still lag behind global average)

GAPS IN LEARNING

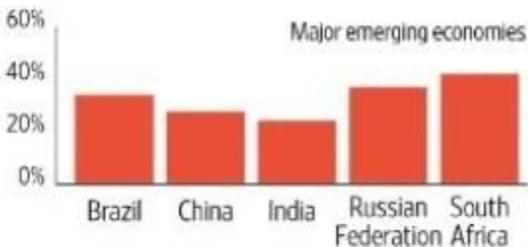
A Standard and Poor's survey found that three-fourth of Indians are not financially literate. Here are some more findings from the survey.

% of adults answering correctly

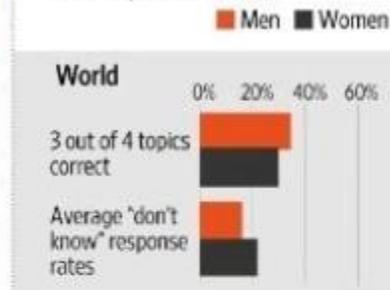
Topic	India	BRICS	South Asia*	World
Risk diversification	14	28	18	35
Inflation	56	46	46	50
Interest	48	48	46	49
Compound interest	44	44	39	45
Financially literate %	24	28	23	33

*excluding India

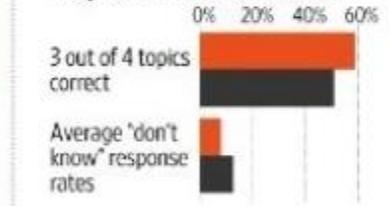
There is a wide variation in financial literacy around the world (% of adults)



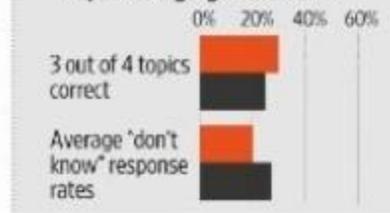
Women trail men in financial literacy (% of adults)



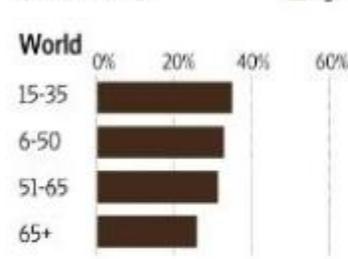
Major advanced economies



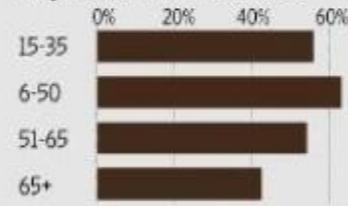
Major emerging economies



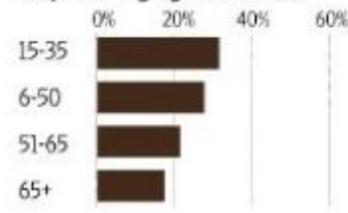
Financial literacy lowest among adults age 65+ (% of adults)



Major advanced economies



Major emerging economies



- 76% of Indian adults lack basic financial literacy

- Lack of understanding among Indians about the basic principles of money and household finance, such as compound interest, impact of inflation on rates of return and prices, and the role of diversification in investments."

- Youth are more financially literate in India as compared to the rest of the age groups

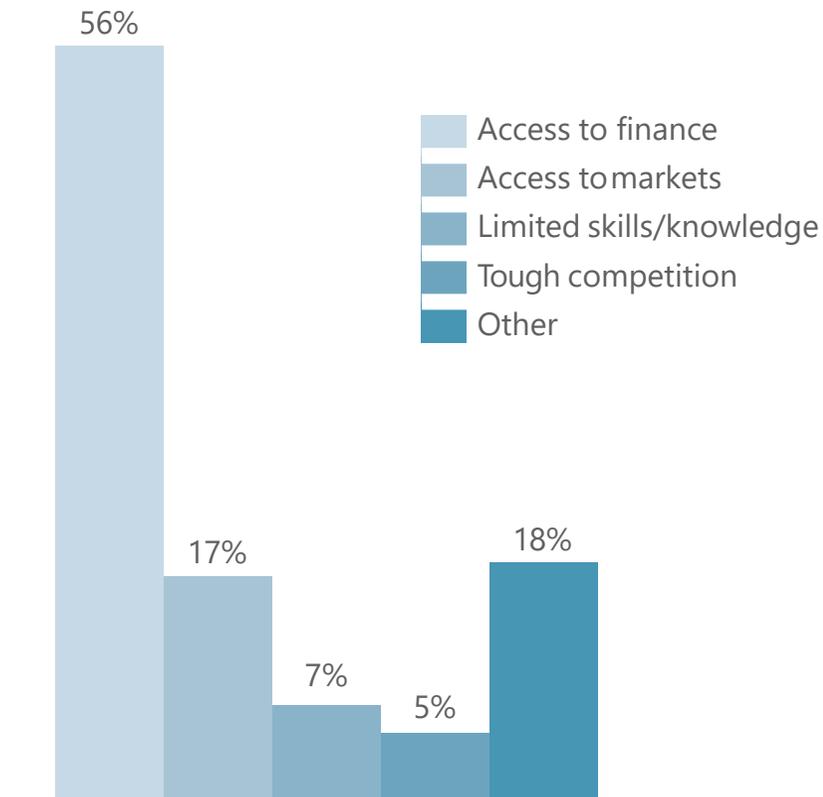
- However, financial literate youth population of India is less than the global average



Low Financial Literacy, lack of personal assets and access to collateral-free loans make it particularly difficult for youth to access finance

More than half of surveyed youth entrepreneurs say that access to finance is the greatest constraint in growing their business

Percentage, n=1023 from 21 countries including India, 2011



- Banks in India **rarely give collateral free loans** compared to banks in more developed nations especially because of India's NPA crisis, according to the Tribune
- Older entrepreneurs have **more assets that can be leveraged** for collateral against loans
- This is because age has a direct correlation with the net worth of an individual. In the US for example, the **average 55-59 year old has 29x the wealth of the average 25-29 year old.**
- This also **means older entrepreneurs have more of their own money to invest** in their business.
- The simple **cost of starting a business is 15% of a person's per capita income in India** compared to 1% in the US and 0.6% in China making this a bigger challenge for youth in India

Source: Global Youth Entrepreneurship Survey 2011, Net Worth by Age for the United States, CGTMSE of little benefit to industrialists - Banks reluctant to lend without collaterals, World Bank Cost to Start A Business, 2017

Youth in age group 15-24 are the strongest supporter of the perception that the lack of available financial support is an obstacle to setting up a business- Global Example

- According to the Eurobarometer Survey (2004), young people (aged 15-24) seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. About 78 per cent of the respondents (aged 15-24), compared to 73 per cent of all other age cohorts, agreed to this affirmation.
- The lack of finance was also considered to be a more severe barrier than administrative procedures/burdens or an unfavorable economic climate.
- Other studies corroborate these findings. In 2000, the OAYEC (Ontario Association of Youth Employment Centres) conducted a survey on youth self-employment in Ontario. When a group of young entrepreneurs were asked what resources were missing when they started their businesses, the most likely response, lack of capital and financing, was given by 40 per cent of them. Other barriers such as high competition or lack of experience were thought to be less important barriers.

Q2.	Regular, fixed income vs irreg. variable income	Stability of employment	Not as risky /Unfav. econ. climate	Social security and/or insurances	Lack of time	Lack of interest to become self-empl.	Lack of finances for self-employment	Lack of skills for self-employment
EU 25	30%	24%	21%	12%	10%	8%	8%	6%
SEXE - SEX								
Hommes/ Men	30%	25%	22%	12%	10%	7%	7%	5%
Femmes/ Women	30%	24%	19%	13%	11%	9%	8%	7%
AGE								
15-24	28%	26%	20%	12%	6%	9%	11%	9%
25-39	31%	25%	20%	13%	13%	7%	7%	4%
40-54	32%	23%	21%	13%	12%	7%	7%	5%
55&+	28%	23%	21%	11%	9%	9%	8%	6%

Majority of Indian Establishments are Self Financed

Major Source of Finance	Number of establishments				
	Rural	% Share	Urban	% Share	Combined
Self-finance	10454167 (86.5)	91.89	922468 (88.2)	8.11	11376635 (86.6)
Financial Assistance from Govt. sources	259294 (2.1)	93.5	18024 (1.7)	6.5	277318 (2.1)
Borrowing from financial institutions	130690 (1.1)	92.52	10566 (1.0)	7.48	141256 (1.1)
Borrowing from Non-institutions / Money Lenders	58218 (0.5)	88.82	7326 (0.7)	11.18	65544 (0.5)
Loan from Self Help Group	81273 (0.7)	95.12	4171 (0.4)	4.88	85444 (0.7)
Donations / Transfers from other agencies	1101567 (9.1)	92.93	83809 (8.0)	7.07	1185376 (9.0)
TOTAL	12085209 (100)	92.03	1046364 (100)	7.97	13131573 (100)

Distribution of Agricultural Establishments by Establishments and Major Source of Finance

Major Source of Finance	Rural		Urban		Combined	
	Number	% Share	Number	% Share	Number	% Share
Self-finance	16519419 72.7	46.56	18960414 83.7	53.44	35479833 78.2	100.00
Financial Assistance from Govt. sources	2260443 10.0	72.70	848923 3.7	27.30	3109366 6.9	100.00
Borrowing from financial institutions	536444 2.4	51.64	502307 2.2	48.36	1038751 2.3	100.00
Borrowing from Non-institutions / Money Lenders	234840 1.0	54.94	192591 0.9	45.06	427431 0.9	100.00
Loan from Self Help Group	151409 0.7	66.78	75319 0.3	33.22	226728 0.5	100.00
Donations / Transfers from other agencies	3007990 13.2	59.19	2073687 9.2	40.81	5081677 11.2	100.00
TOTAL	22710545 100.00	50.06	22653241 100.00	49.94	45363786 100.00	100.00

Number and percentage distribution of establishments by sector and major source of finance of non-agricultural establishments

Assuming the establishments of age groups 15-24 behave in a similar way to that of establishments set up by working age population (15-64)/considered by EC in terms of financing businesses

- As per the 6th Economic Census, 86.6% of the total Agricultural establishments were self financed
- And 78.2% of the total non -agricultural establishments were self financed
- Proposition of youth who are self financed is max across ll age groups
- **This limits their ability to scale operations, or hire 1 or more workers or operate outside household structures**

Bharatiya Yuva Shakti Trust provides collateral-free financing to underprivileged youth

Description:

Bharatiya Yuva Shakti Trust (BYST), is a platform for empowering Indian youth to turn their business ideas into profitable enterprises. It uses innovative methods to improve access to finance for young entrepreneurs.



Programs for financial support:



Collateral free loans

A public-private lending arrangement based on partial credit guarantees of 80% by public sector banks, which allows BYST to extend collateral free loans



Advisory through banks

Potential entrepreneurs are provided guidance and advice on entrepreneurial financial support through approved banks by BYST



Referral programs

Referral of high performing entrepreneurs with a good track record in loan repayments to banks and other financial institutions for further financial assistance

Achievements and Impact:

260 cr

Amount given in loans

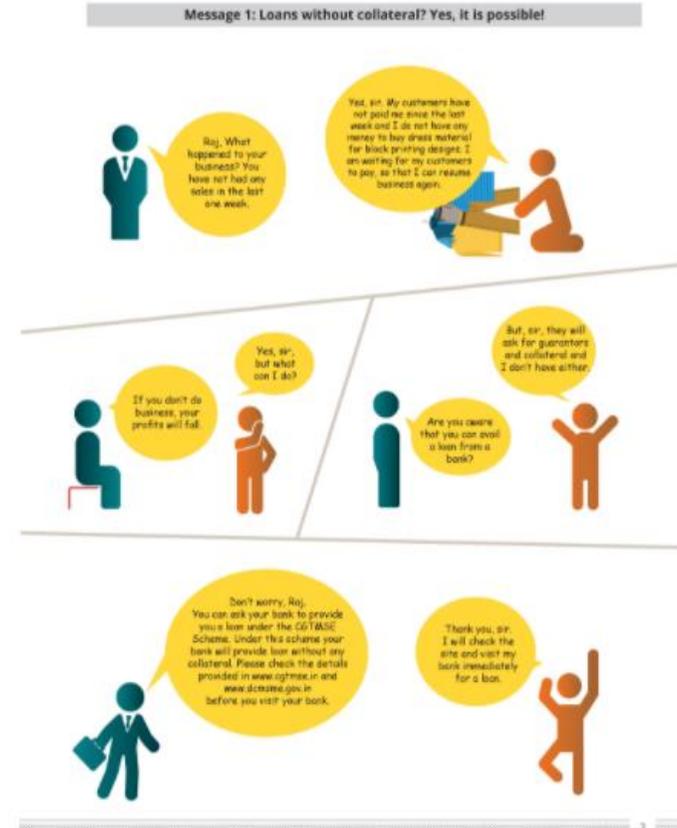
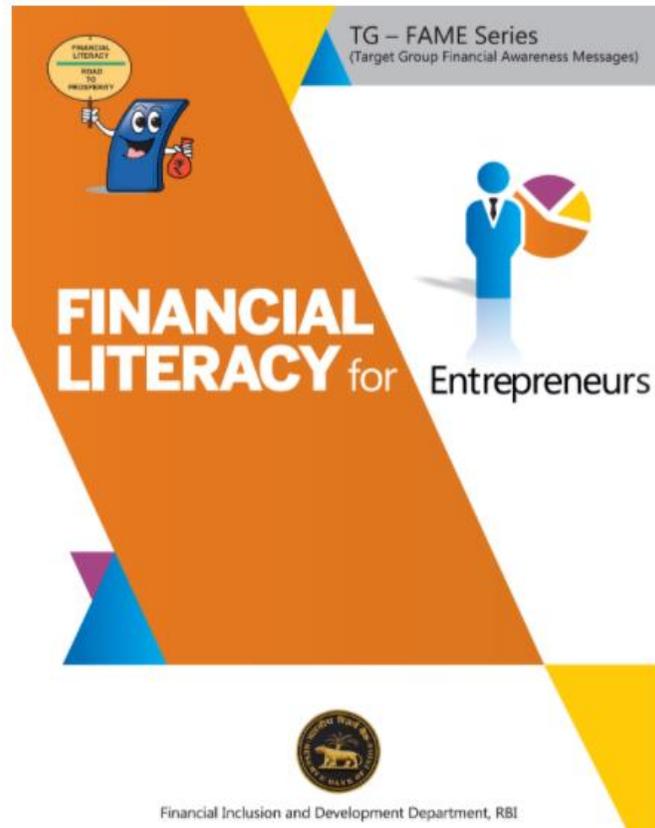
7k

Number of youth entrepreneurs financed

260k

Number of new employment opportunities generated

Financial Literacy Week & Content for Small Entrepreneurs by RBI



RBI has developed tailored financial literacy content for five target groups' viz. Farmers, Small entrepreneurs, School children, Self Help Groups and Senior Citizens that can be used by the trainers in financial literacy programs.

Audiovisuals have been designed for the benefit of the general public on topics relating to Financial Literacy. These Audiovisuals are on "Basic Financial Literacy", "Unified Payments Interface" and "Going Digital". All this is available in 13 regional Indian languages.

A case study of the YouWiN programme: Nigeria

CASE STUDY

The Youth Enterprise With Innovation in Nigeria (YouWiN!) program is a large-scale national business plan competition for young entrepreneurs in Nigeria. The program is a collaboration between Nigeria's Ministry of Finance, the Ministry of Communication Technology, and the Ministry of Youth Development with support from Department for International Development (DFID) and the World Bank. The program's objective is to encourage innovation and job creation through the establishment of new businesses and expansion of existing businesses.

The competition attracted almost 24,000 applicants. Random assignment was used to select some of the winners from a pool of semi-finalists, with US\$36 million in randomly allocated grant funding providing each winner with an average of US\$50,000.



Lariat Alhassan had lots of great paint to sell but no office where she could meet clients. And then she heard an ad on the radio that seemed too good to be true.

Courtesy of Lariat Alhassan

Lariat Alhassan owned a tiny paint business in Abuja, Nigeria. Things weren't going great. She had no office. She was selling paint out of the trunk of her car. But one night, while Lariat was listening to music in her room, she heard an ad on the radio. At first, she was sure it was a scam. It said that the Nigerian government was offering millions of dollars to businesses, practically no strings attached.

Nigeria had a plan. They'd hold a massive nationwide contest. They'd give out piles of cash like nobody else had before. And Lariat was in.

Financing young entrepreneurs in Canada

CASE STUDY

- The SME Financing Data Initiative (SME FDI) in Canada gathers information on both the demand and supply side of the small business financing market in Canada to inform policy debate and help the market grow.
- During start-up, young entrepreneurs (aged 25–34) were most likely to use personal finances, commercial loans, lines of credit and personal credit cards, as were older entrepreneurs.
- However, young entrepreneurs were more likely to request debt financing (37% relative to 20% for older entrepreneurs) and lease financing (14% v 8%), and were slightly less likely to be approved for both types of financing (78% v 82% for debt financing, and 97% v 99% for lease financing).
- The most popular forms of debt financing used by young entrepreneurs were lines of credit and term loans, and they received substantially less than adults with these two products. ***Young people, on average, received lines of credit for CAD 28000 (v CAD 112000 for adults) and terms loans of CAD 82000 (v CAD 129000 for adults)***

In response, the Canadian government has developed a number of financing programmes to help young entrepreneurs to access capital. One example is the Seed Capital ConneXion Program for Young Entrepreneurs, which has the goals of providing access to capital; access to business expertise, advice and training; and acting as a single access point for business information for young entrepreneurs.

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network



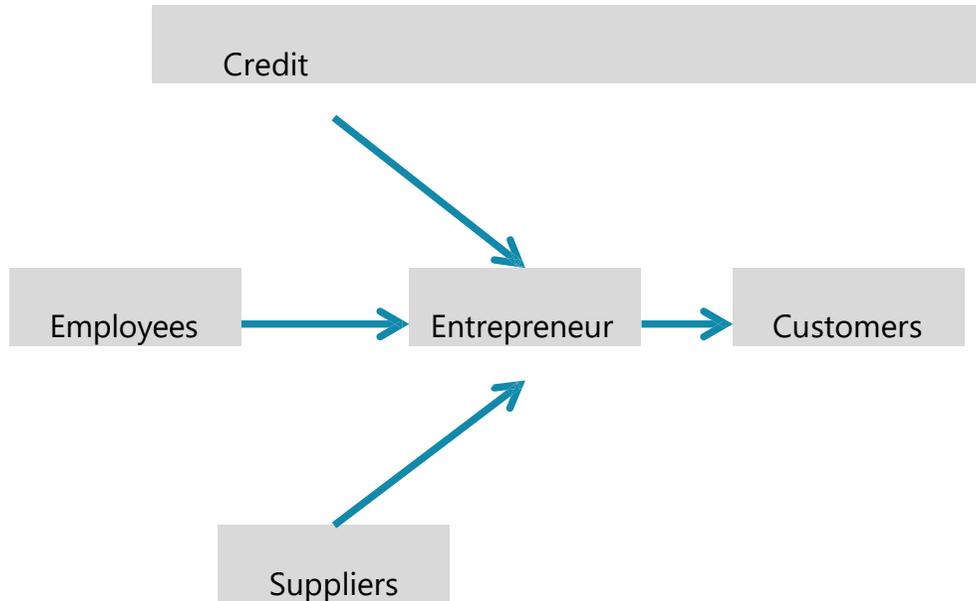
Skills



**Industry
exposure**



Critical networks that provide access to clients, talent, mentors, and suppliers take time to develop



- An **entrepreneur depends on formal or informal contracts with employees, suppliers, creditors and customers** to deliver a product or service.
- This requires trust in these players and this leads entrepreneurs to look within their networks
- In countries like India, **where institutions are weak, networks become even more important to identify those** for whom the threat of social sanctions is sufficiently severe that they **do not renege on their contract**.
- These **networks increase with work experience** as entrepreneurs can identify trusted suppliers, creditors or employees from their past work experience.
- Furthermore, **people's social networks grow with age**, often peaking when an individual is between 40 and 60 years old

Social Capital increases the intention of entrepreneurial activity in students: Uttarakhand Study on Impact of family capital and social capital on YE

- The study confirms that social capital of student has a significant impact on the career intentions of students
- as the level of social capital network span increase there is gradual increase in entrepreneurial intentions of students and a corresponding decrease in the ratio of job seeking preference of students
- The results of Chi Square test have confirmed that this shift is not by chance but there is a significant relationship between the variables
- The findings is in agreement with most of similar studies done before (Tararko, 2013; Leiffel et al. 2009; Linan, 2007) which stressed social capital can facilitate the implementation of entrepreneurial intention

Social Capital according to Putman (2000) refers to connections among individuals-social networks & the norms of reciprocity & trustworthiness that arise from them. Social Capital theory refers to ability of actors to extract benefits from their societal structures, networks & memberships (Lin et al.1981, Portes 1998)

	Value	df	Asymp. sig. (2-sided)
Pearson Chi-square	17.203 ^a	6	.009
Likelihood ratio	19.791	6	.003
Linear-by-linear association	.018	1	.894
N of valid cases	530		

^a2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.95.

Chi-square Test: 'Social capital network span' and 'Career choice preference after completion of degree' (including the options 'Going for higher studies and 'Not yet decided')

IndiaMART uses an online platform to connect enterprises to networks of buyers



Description:

IndiaMART is an online marketplace which directly connects B2B buyers with sellers. Most of its members are MSMEs, who are able to access a network of suppliers and promote their businesses

Support provided:



Network Creation

IndiaMART provides an online platform where sellers can list their products and sell directly to buyers searching for those products. This gives new entrepreneurs easy access to a large network of ready customers



Buyer search support

Product requirements posted by buyers on the platform are filtered by IndiaMART into "BuyLeads". These are then shared with the suppliers who deal in that product, to enable them to identify potential buyers



Free listing

Sellers can register themselves on the IndiaMART platform for a small fee. For firms and sellers who cannot afford registration fees, IndiaMART offers free listing

Achievements and Impact:

3 million

Sellers connected with 40 M buyers

500 billion

Rupees worth of business transactions facilitated

IndiaMART's low cost registration and easy online accessibility mean that this is a useful tool for most youth entrepreneurs

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network



Skills



**Industry
exposure**



Indian youth are unable to develop the technical and business skills which are crucial to starting businesses

Technical and vocational skills enhance both the desire and ability to start self owned businesses

92%

of students who have undergone effective vocational training display high entrepreneurial intent

82%

of surveyed graduates believe that entrepreneurial skill acquisition aids their self employability status

However, Indian processes have been unable to adequately train youth in these technical skills

6.8%

Only 6.8% of India's youth have received some form of vocational training

70%

70% of Indian students are unaware of the government's skilling programs

85%

85% of CBSE teachers are not well trained to deliver entrepreneurial curricula

72%

72% of employers find students from vocational training courses unemployable

42%

42% of students in vocational training courses find the quality of training to be below par

- **A very small proportion of India's youth receive technical skills training**
- **Absence of awareness** is a major reason for low response rates to youth-skilling initiatives
- These programs themselves **are poorly equipped in terms of teacher competency**
- The **quality of skilling programs is low**, and not adequate to enable trainees to even secure employment in their fields of training, making entrepreneurship in these fields a far cry

Source: [Impact of Entrepreneurial Education on Entrepreneurial Intentions](#); [The Impact of Entrepreneurial Skill Acquisition on Fresh Graduate Self Employability Status](#); [Skill India: 70% of Indian youth don't even know about government's skill development programs](#); [Only 2% of India's youth have vocational training](#)



There is very little effort focussed on honing soft skills among youth

Developing the right soft skills is critical to succeeding as an entrepreneur

85%

of professional success comes from having well developed soft skills

"[Soft skills] play, perhaps, the most important role when it comes to supporting your company in taking the right steps for a successful future"
- Institute of Entrepreneurship Development

However, youth in India possess a very low level of these crucial soft skills

89%

of Indian school students are not competent critical thinkers

80%

Of Indian school students are not competent problem solvers

33%

of fresh graduates are perceived to have inadequate communication abilities

While education systems neglect soft skills, youth also have limited avenues to gain industry experience which is an alternate pathway to develop these skills

74%

of Indian graduates feel that their education has not contributed to their personality development or interpersonal management skills

[Source: The Soft Skills Disconnect; Basic Soft Skills Every Startupper Should Have; Problem solving and critical thinking: assessing performance; Young India Lacks Soft Skills: Survey; With degrees but no skills: Youths question country's faulty education system; DNA India \(2016\): CBSE declares Teacher Eligibility Test results, poor pass percentage](#)

RSETI trains rural youth, imparting not only technical, but also soft business skills



Description:

Rural Self Employment Training Institute (RSETI), is an initiative by the Ministry of Rural Development to impart training and skill upgradation of rural youth geared towards entrepreneurship development. In addition to technical skills, soft skills are an integral part of all training programs

Key features:



Goal

To have dedicated infrastructure in each district to train and upskill rural youth and prepare them for self-employment



Diversity

RSETIs provide training across a variety of industries depending on local need, such as agriculture, manufacturing, electrical and household services, automobiles, and personal care



Target beneficiaries

Focus on youth that have no skills, no basic entry qualifications, lack access to formal training institutions and have no means to take up self-employment



Free residential programs

Free residential programs that train these youth in a variety of vocations. There is no basic qualification requirement to join the program

Achievements and Impact:

587

Of 712 Indian districts have RSETI centres

445 k

Youth trained, 62% women

60%

Trainees went on to become entrepreneurs

We will focus on youth specific challenges to starting and growing businesses



**Entrepreneurship
Mindset**



**Community
support**



Capital



Network



Skills



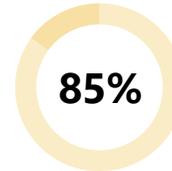
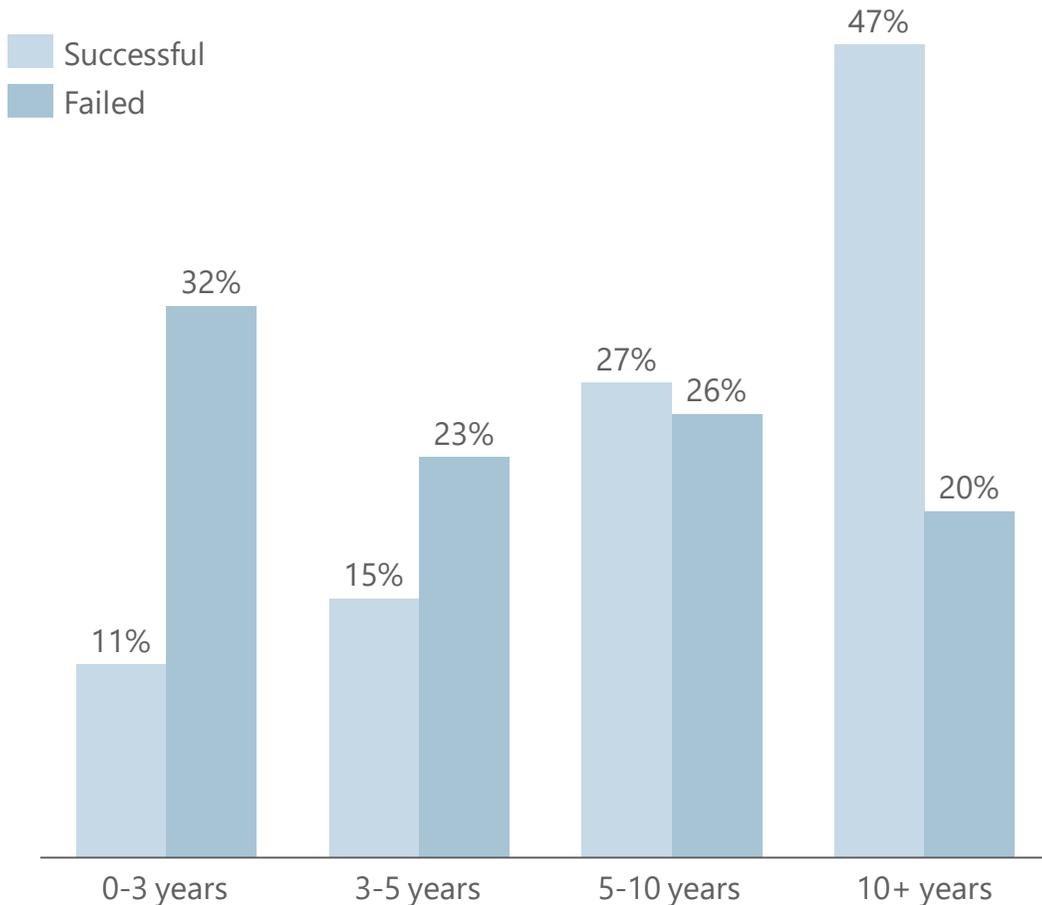
**Industry
exposure**



Industry exposure is strongly correlated with success as an entrepreneur

Percentage of total start-ups that grew or failed compared with founders years of experience in that industry

Percentages, n = 330, 2018



An MIT study found that **relative to founders with no relevant experience, those with at least three years of prior work experience** in the same narrow industry as their start-up were **85% more likely to launch a highly successful start-up**

While 47% of all successful start-ups are launched by entrepreneurs with 10+ years of experience, they launch only 20% of all failed start-ups; Only 11% of successful start-ups are launched by entrepreneurs with 0-3 years of work experience, while they are responsible for 32% of all failed start-ups



Industry exposure provides entrepreneurs with a host of necessary tools to be successful

The following elements, that are critical to entrepreneurial success, are honed as an individual gains more industry exposure

Industry/Technical skills

Industry best practices, technical skills, general industry norms

Opportunity identification

Better knowledge of the industry can help individuals identify strong business opportunities to pursue

Managerial experience/skills

Understanding how to manage a team, structure the workplace and organizational pyramid etc. for a particular industry

Networks

Relationships with trusted suppliers, employees, investors, creditors, and customers (in case of a B2B or B2G business)

'Lend a Hand' places high school students with local SMEs to give them industry experience

Lend-A-Hand India
Making a difference in the lives of the poor through self-help

Description:

Lend A Hand works at the intersection of education and livelihood to enable youth to gain the first hand experience required to become a successful entrepreneurs

A skills-to-internship intervention model is used:



Recruitment of trainers running SMEs



Delivery of learning by doing multi-skill development curriculum

*In 9th and 10th grade, students exposed to a **variety of skills** – everybody learns **32 practical skills***



Intern Placements in SMEs

- *Localized internship programs for **11th and 12th grade students***
- ***Students places in MSMEs** without a stipend to act as apprentices*
- ***Other costs are subsidized for students**, e.g. free bus passes*

Achievements and Impact:

500

Schools partnering with Lend A Hand

30k

Students reached

*"Localized internships have been a **great game changer in terms of having students want to open their own businesses...**we are seeing with our latest batch that many want to open something of their own."*

- Raj Gilda, Co-founder and Director, Lend-a-Hand India



Why focus on youth entrepreneurship



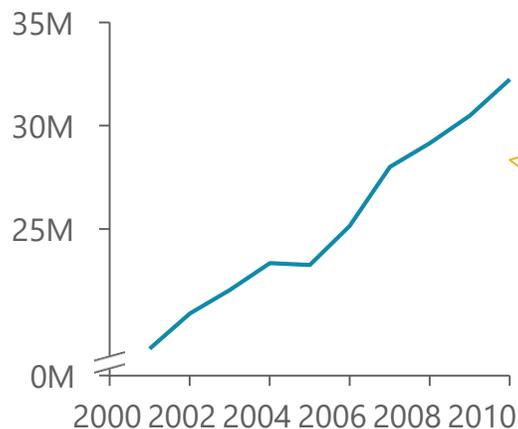
The large number of educated youth and the ability to shape their mindsets make youth an important segment

8 M

Youth (at least) graduate secondary school every year

3 M

Youth graduate college every year



The number (in millions) of youth completing high school every year has increased consistently from 2001 to 2010

Human Capital

- Youth represent a large proportion of the country's working age population and workforce with ~2/3rd of them completing secondary education every year, and a quarter of all youth enrolling in higher education

These numbers have been increasing over time and a better educated population is expected to be more productive for the economy

- The sheer size of this segment presents a huge opportunity to create mass entrepreneurs
- An unemployment rate of 13% among youth represents a large number of unemployed people who can potentially be turned into mass entrepreneurs with the appropriate interventions

Mindset development, and risk appetite

- The human brain stops developing after the age of 25, and mindsets are most likely to be influenced in favour of entrepreneurship before this age
- Youth are likely to have fewer responsibilities than older groups, and hence more willing to take on certain types of risks associated with entrepreneurship

Successful youth entrepreneurs can create jobs for other youth, through their networks

80%

of jobs are landed through networking

Employers seek candidates who are not only competent, but also similar to themselves. Hiring is a process of cultural matching between employer and employee

6.6%

increase in chances of a job offer due to a referral by a current employee

- By the 'network effect', interpersonal networks and connections play a significant role in hiring decisions
- Most people tend to form their networks within their own age bracket
- This means that youth have their interpersonal networks largely among other youth
- Hence, creating youth entrepreneurs will help generate jobs for other youth, as youth entrepreneurs naturally leverage their networks to hire other youth for their enterprises

72%

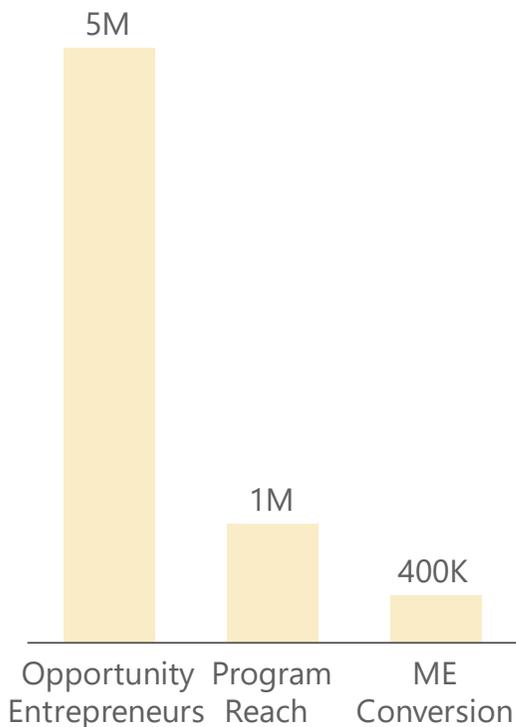
of the networks of survey respondents comprised people within 8 years of their own age

Age homophily is high when considering network ties around work, hobbies, general sociability and support.

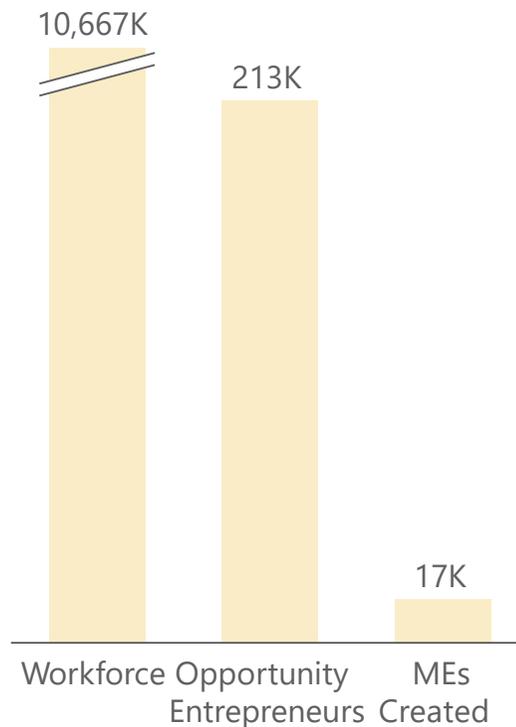
[Source : 80% of today's jobs are landed through networking ; Job Hunting? You Know What Still Works ; If Want To Get Hired, Act Like Your Potential Boss ; Birds of a Feather: Homophily in Social Networks](#)

In an optimistic scenario we could create 1.2M more youth mass entrepreneurs that generate 6M more jobs in India

Working with India's current workforce, we can create 400K mass entrepreneurs



Each year, an additional 17K mass entrepreneurs can be created from those joining the youth workforce



- Within India's current youth workforce, we estimate there are at most 5M opportunity entrepreneurs across the country
- In an optimistic scenario, if interventions can touch 20% of this population and convert 40% of those touched, we would create 400K mass entrepreneurs at steady state
- An additional ~11M youth enter the workforce each year, implying an additional 17K mass entrepreneurs if we assume similar conversion ratios
- Even if we are to assume that interventions can triple the number of opportunity entrepreneurs, India would have 1.2M youth mass entrepreneurs with an additional 51k each year

These numbers represent the absolute best case scenario, assuming a stock of youth who can be converted at very optimistic rates. However, even taking this very optimistic view, we see that we cannot reach close to our ME target by focussing solely on youth

Youth mass entrepreneurs serve as role models and inspire more youth to become mass entrepreneurs

Youth entrepreneurs will serve as role models for other youth who can go on to start businesses



Exposure to entrepreneurial role models at a young age increases that individual's desirability of an entrepreneurial career by 38%

- Both brain architecture and developing abilities are built "**from the bottom up**" – youth are extremely likely to be positively influenced by positive role models
- Youth entrepreneurs will serve as relatable role models for other youth, and encourage them to start businesses too
- Hence, growing youth entrepreneurs will help create more youth entrepreneurs

Youth entrepreneurship fosters Innovation & builds Resilience in Youth ... Looking beyond DD* & Job Deficits as reasons for supporting Youth Entrepreneurs

Innovation is a core driver of economic and business growth and job creation and must be one of the main areas for new policy on youth entrepreneurship.

- **Indian youth entrepreneurs have the highest innovation level in APAC region (GEM Global Report,2019)**
- **55 percent of Total Early-stage Entrepreneurial Activity (TEA) showed innovation-orientation** for entering new markets or introducing new products, service, or processes that are unique to market.

Higher Impact

- Businesses run by young entrepreneurs have lower survival rates than those of experienced entrepreneurs. However, young people's businesses that do survive have more growth potential than those of older entrepreneurs on average.
- Among businesses that survived three years, those run by people under 30 years old had an average growth rate of nearly double the growth rate of businesses run by those over 40 years old .
- This suggests that young entrepreneurs are a high risk but high reward group of entrepreneurs.

“ENTREPRENEURSHIP”, a study by National Knowledge Commission, Government of India.

- We must look beyond the demographic dividend of India and job deficit as reasons for focusing on youth entrepreneurship
- Most of the youth entrepreneurs in India are self employed/necessity entrepreneurs, operating in high competition industries, with low barriers to entry, etc.
- It is perhaps unsurprising that many businesses run by young people do not necessarily grow, survive or provide sustainable incomes
- The real question is how do we create an ecosystem for “Opportunity Entrepreneurs” which are sustainable, which create jobs for the economy and grow over time.
- Policy should target resources on young people with the best chance of success, provide sufficient support to allow them to start businesses outside the low entry barrier but high competition sectors, and provide integrated packages of complementary support rather than one-shot instruments.

*DD: Demographic Dividend



Opportunities to create more youth entrepreneurs



We have identified industries that lend themselves to accelerating the generation of youth-led mass enterprises

Industries that can nurture youth lead mass enterprises

Employ a large workforce

Consists of large numbers of small businesses spread throughout the nation

Have many youth getting skilled

Are growing and need more small businesses

Have low barriers to entry, especially for youth



Construction



Hospitality



Food Processing

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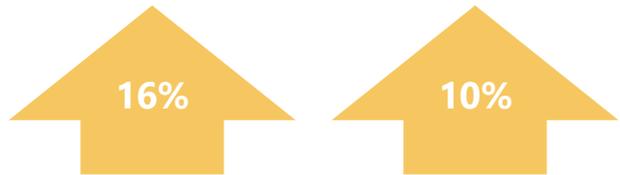
Hospitality



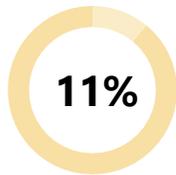
Food Processing



Construction is a large, growing, and diverse industry that has opportunities for many new youth mass entrepreneurs



Infrastructure and residential/commercial construction are projected to grow at 16% and 10% respectively from 2013-2021

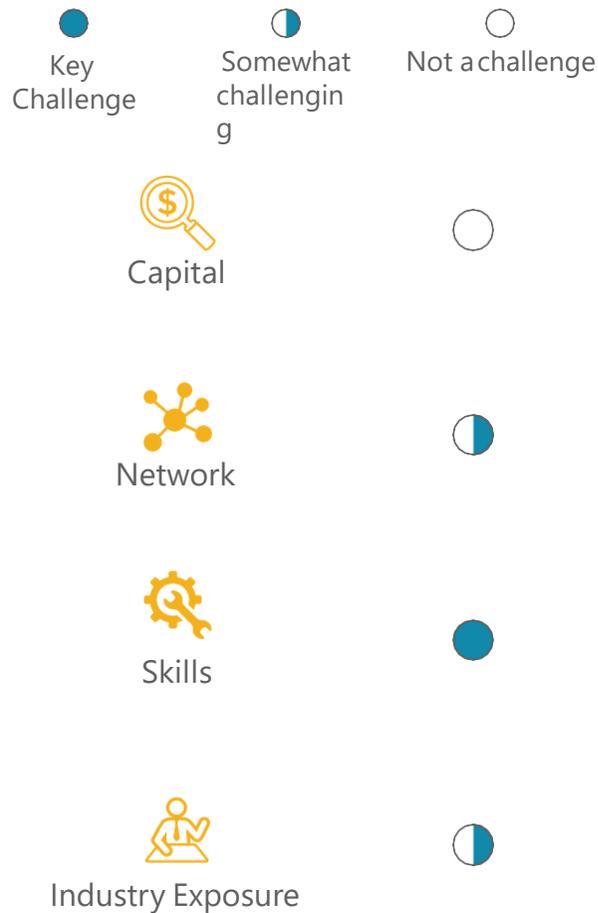


The construction industry accounts for 11% of India's GDP

- The construction sector, including infrastructure, residential/commercial, and industrial (e.g oil & gas), is massive and growing rapidly
- It **employs 2.3M people across 1M establishments**, 32% of which hire at least one other worker
- Among firms that hire at least one other worker, the **average firm hires 5.3 workers**.
- Construction companies are spread across the nation and the sector is **highly fragmented**. The 12-15 largest companies only account for 15-20% of the market. Furthermore, only 50% of the firms are in the organized sector implying there are a large number of small-firms. All this means **the industry is highly conducive to mass entrepreneurship**
- With government programs like "housing for all" that aims to build 20M houses by 2022, and India's infrastructure investment need of 777B USD, the **sector is rife with opportunity**
- In 2017-18, 120K students, mostly youth, were trained in construction programs under NSDC making it the **sector with the second most number of trainings** after IT. This indicates a **sizeable interest** in this sector **among India's youth**
- Finally, increasing the number of mass entrepreneurs in construction can improve the nation's infrastructure and in-turn create an environment that is more conducive to mass entrepreneurship



Strong technical skills is the most important element that an entrepreneur needs to thrive in this industry



- Small businesses in the construction industry either work on small projects or are hired by large firms to work as contractors on their projects
- These small businesses don't require heavy equipment and therefore **need little capital to start**.
- The critical criteria that sets one business apart from the rest are **quality of the service, and on-time delivery** implying **that being well-skilled is imperative to success**.
- There is little innovation happening in this sector among the small players and most businesses are similar to each other
- Businesses are often referred to potential clients by middlemen, like architects, or by other clients based on past quality of service
- Therefore **networks are important** for entrepreneurs in this industry
- Industry exposure is important insofar as it gives entrepreneurs the ability to identify good talent and learn the ropes to deliver a high-quality service in a timely manner

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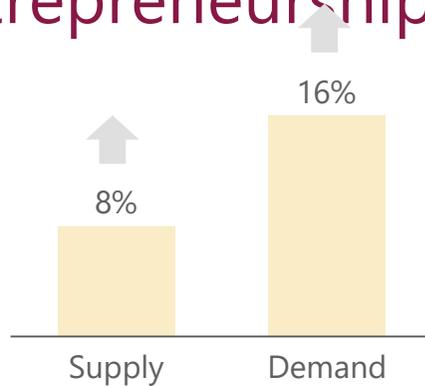
Hospitality



Food Processing



Hospitality companies are in high demand and diverse, presenting an opportunity for youth mass entrepreneurship



The demand for hotels is growing at twice the rate as the supply, leaving a substantial demand gap

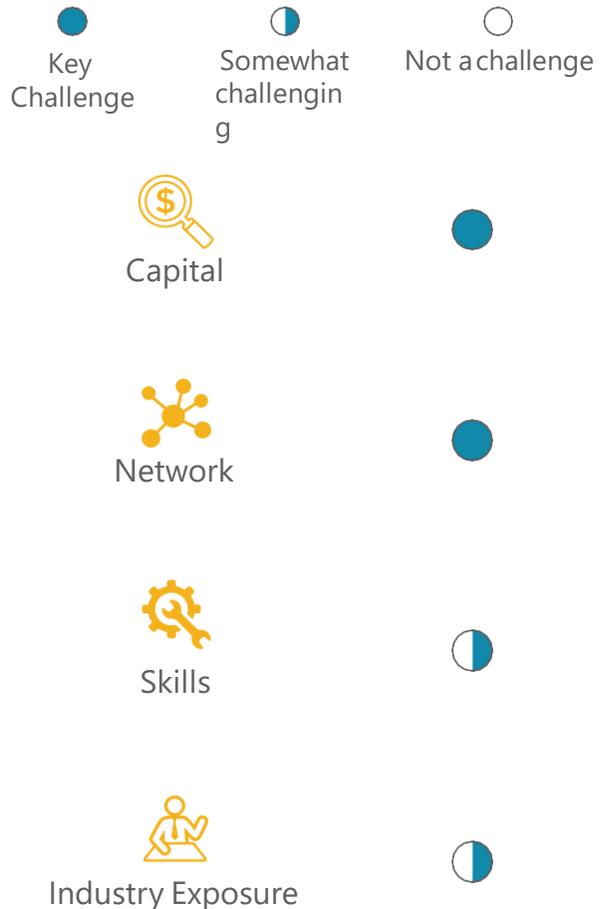


The hospitality industry accounts for 7.5% of India's GDP

- The hospitality industry employs 6M people across 2.4M establishments, 40% of which hire at least one other worker
- Among firms that hire at least one other worker, the average firm hires 4.7 workers. Firms are dispersed across major tourist hubs in the country, with the 8-10 largest players accounting for only about 22% of the industry, presenting this industry as one which is conducive to mass entrepreneurship
- The hospitality industry is expected to grow at an average annual rate of 7.5% till 2025, and has the potential to create substantial additional employment
- India needs 1.4 million hotel beds a night, but has only 0.24 million. International tourist arrivals alone are expected to increase to 30.5 million by 2028. This vast and unmet demand in the hospitality industry presents a sustainable ME opportunity
- Youth interest in careers in hospitality is on the rise – admissions to the National Council for Hotel Management and Catering Technology have been recorded to increase year on year, television programs around cookery have been seen to nurture interest in food preparation careers among youth



Collateral for capital, and network constraints are the key challenges that youth entrepreneurs face in hospitality



- With hotels being considered as 'real estate', high lending rates from banks make it difficult, especially for youth hospitality entrepreneurs who lack their own assets, to secure capital
- While there is substantial demand in the sector, success depends largely on identifying the best locations to start businesses in. Youth lack the knowledge base to make informed decisions
- A critical component to success in the hospitality industry is building ties and networks with key stakeholders, to overcome resource constraints. Youth entering the workforce for the first time lack these collaborative networks
- There exists a large skills gap in hospitality, with only 9% of the need being met. Youth are not adequately trained, making it difficult for them to start businesses in this sector
- Entrepreneurs in hospitality can develop networks and pick up essential skills over time. However, youth lack the prior experience to do so, which places them at a greater disadvantage

[Source: Financial Challenges in the Indian Hospitality Industry ; Skill shortage threat to hotel industry growth Research reveals secret of tourism entrepreneurs ; Success in the Hotel Industry](#)

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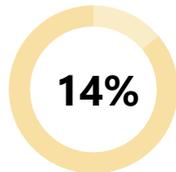
Food Processing



Food processing companies are small, spread across the nation and very localised



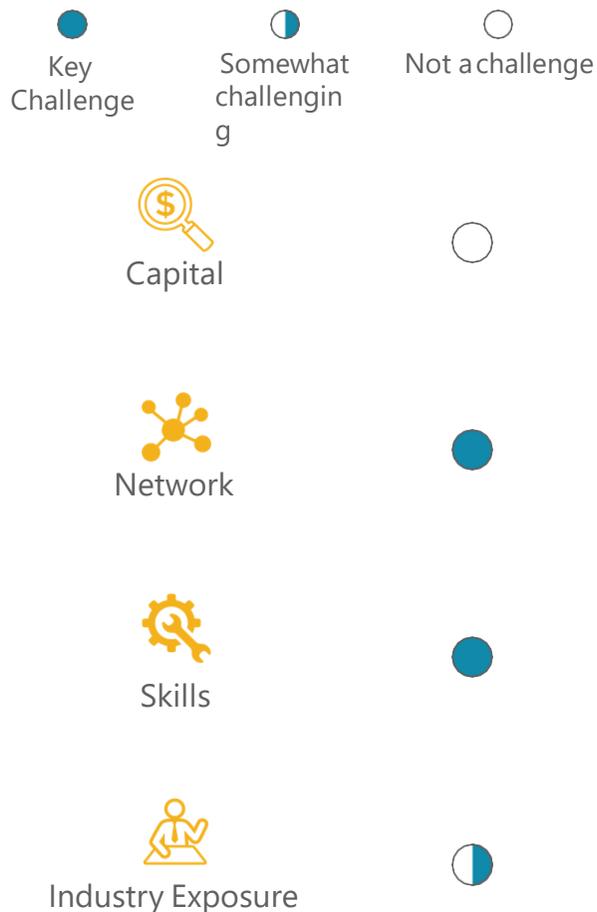
The food processing industry is expected to grow at an annual rate of 11%



The food processing industry accounts for 14% of India's manufacturing GDP

- The Indian food processing industry employs 6.5M people across 2.4M establishments
- The average firm size of firms hiring at least one other worker in the unorganized food processing sector is 4.2
- The unorganized sector accounts for over 52% of the market share in this industry and firms are geographically distributed across the country, presenting this industry as one which is conducive to mass entrepreneurship
- Indians spend 31% of their earnings on processed food products. This domestic demand is expected to grow by 8.5%. Moreover the export demand for processed foods has grown at a compound annual growth rate of 11.4%. This growing demand can lend itself to mass entrepreneurship
- With large portions of youth now turning away from traditional agriculture due to low profitability, the food processing industry presents a natural opportunity for them to run profitable businesses, without having to turn to urban underemployment

Skill and network constraints are the key challenges for entrepreneurs to overcome in the food processing industry



- Food processing units can be set up using **low cost methods** and basic equipment
- Hence, **capital is not a major constraint**
- Products of small food processing firms are largely determined by local agricultural conditions and demand conditions, and there is **no pressing need for identifying avenues of product innovation**
- **Networks are crucial**, as business depends upon stakeholder networks along different points of the value chain, from procurement of inputs to final retail. Such networks are usually **built over time**
- Success in the sector also depends largely on the **quality of output**, and entrepreneurs **need specific skills** to produce superior quality
- These crucial skills require training – according to a survey, entrepreneurs self identified the need to be trained in procuring quality raw material, identifying the most suitable technologies, and controlling quality of output as their three highest priorities
- **Industry exposure contributes to developing both skills and networks** needed to succeed as an entrepreneur in food processing

Youth Aspirations & Attitudes

Youth Aspirations & Attitudes

Youth want to be entrepreneurs

Youth are unaware of existing programs

Interaction with industry professionals is considered useful

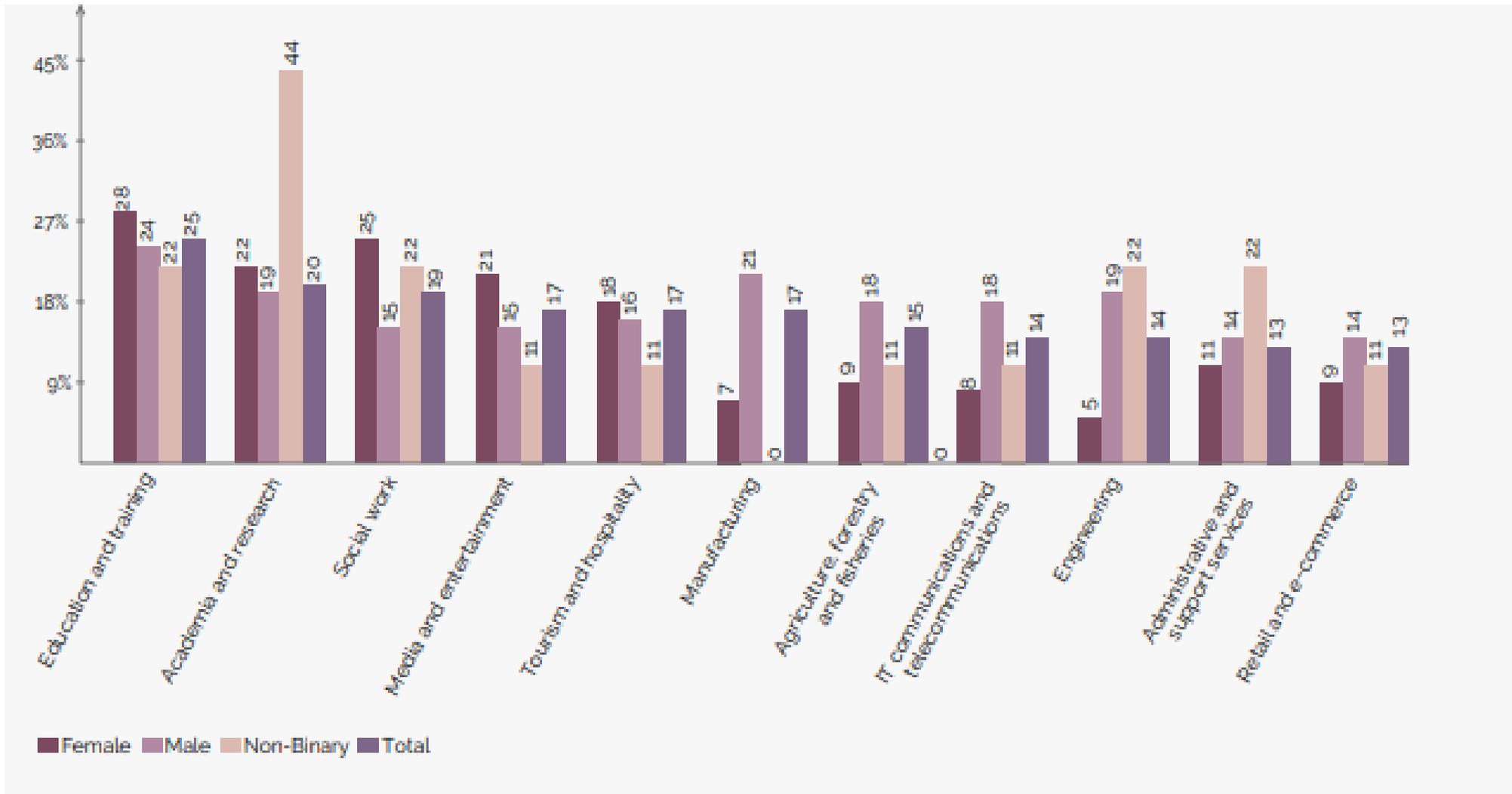
Youth want more mentorship and career counselling services

Youth feel moderately prepared to start a business

Education and training as well as academia and research are preferred industries for starting a business

Source: ORF 2018

Preferred Industry/Sector by Youth



Youth Aspirations & Attitudes

Higher education degrees are highly valued, but youth also want new skills

While youth prefer public sector jobs, there is discernible interest in entrepreneurship

The IT Industry is the largest employer of youth

Women prefer full-time careers, have less paid work experience, and feel less prepared: 82 percent of female youth prefer full-time employment as their ideal time commitment for work

ORF Survey reveals that men have more paid work experience than women, with 28 percent of male respondents between the ages of 26-30 years having four or more years of paid work experience compared to 18 percent of female respondents.

Overall, men also report feeling more prepared for their ideal job than women.

while 96 percent of female respondent's report being very or moderately interested in pursuing skills development training, only 19 percent have ever enrolled in one.

In comparison, 26 percent male respondents have enrolled in one

Source: ORF 2018

Youth Aspirations & Attitudes

Job searches have gone digital, but employers and recruiters have not

Information asymmetry, lack of guidance and work experience are impeding Indian youth from meeting their career aspirations

Youth are cautiously optimistic about the gig economy

Youth are eager for skills development; prefer short-term, certified, government run programs

Youth see high value in human-centric and soft skills

career counselling and mentoring opportunities are needed

76 percent of the respondents' report being very interested in pursuing skills development programs

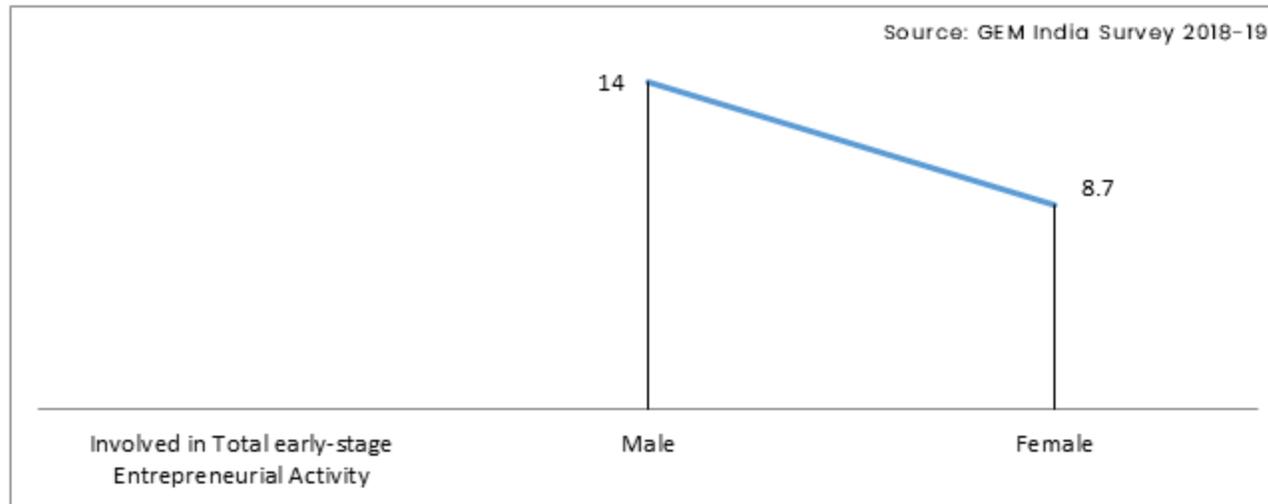
Source: ORF 2018



Annex – Women Youth Entrepreneurs



Global Scenario: Significant Gap in Early Stage Entrepreneurial Activity between Male & Females: GEM Global Report 2018-19 (Highest in age group 18-24)

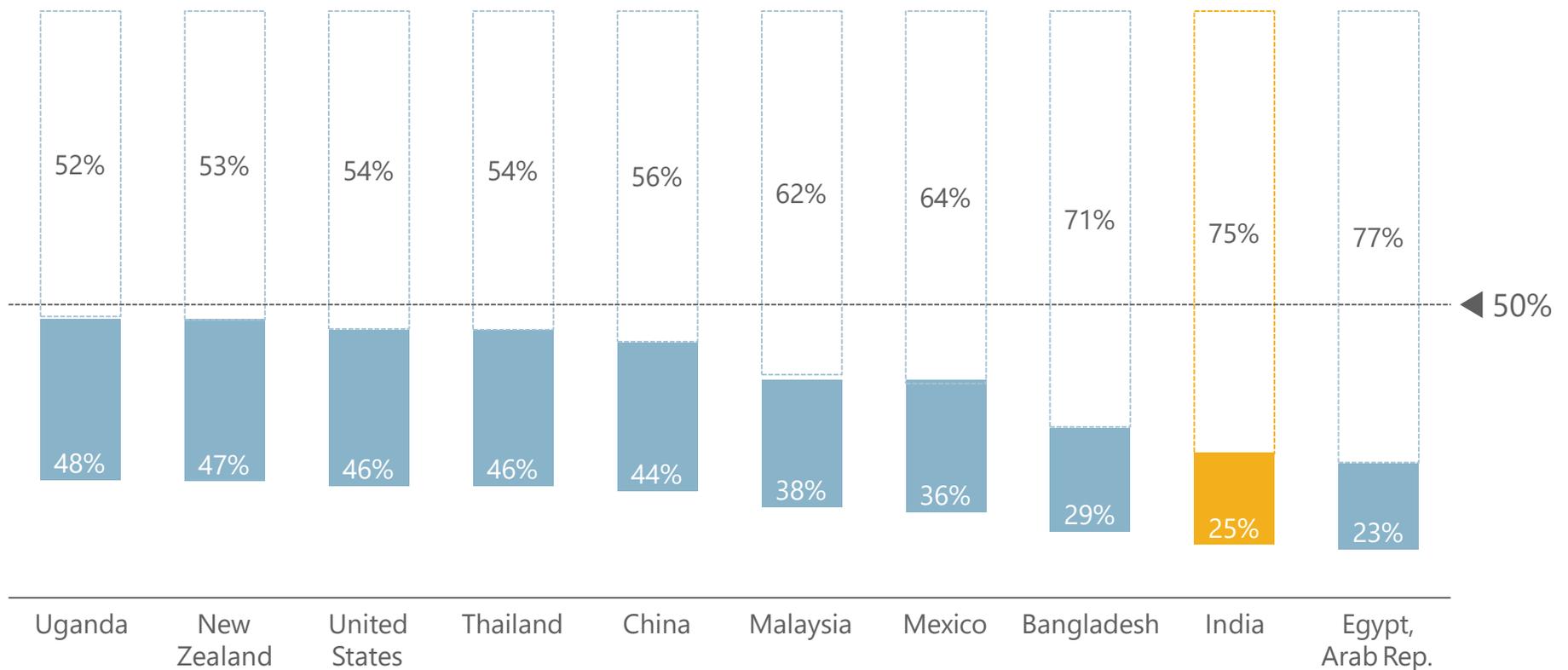


- GEM data also shows that entrepreneurial activity still significantly varies according to gender, with men more likely than women to be entrepreneurially engaged.
- These differences are consistent across age groups and across most GEM countries.
- However, particularly in the youngest age cohort (18-24 years) the differences (spread) in the ratio of male to female entrepreneurial activity between countries are considerable.
- Thus in Finland, Hungary and Portugal young women (18-24 years) are more entrepreneurially involved than young men. On the contrary, in Norway and New Zealand young men (18-24 years) are over five times more likely than young women to be involved in entrepreneurial activity .
- These figures appear to suggest the existence of sociocultural constraints, which tend to affect the participation rate of young women in entrepreneurial activity.

Women represent only one fourth of the workforce in India making it one of the worst performers in the world

Female labour force participation rate

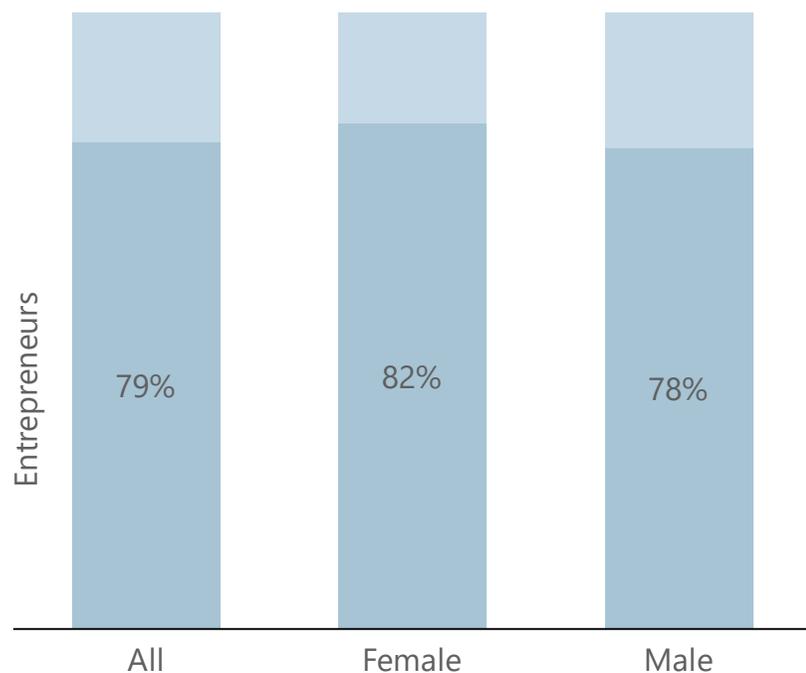
As percentage of total labour force, 2017



Within the workforce though, Indian women's rates of entrepreneurship are similar to that of men's

Entrepreneurs as a percentage of total workforce

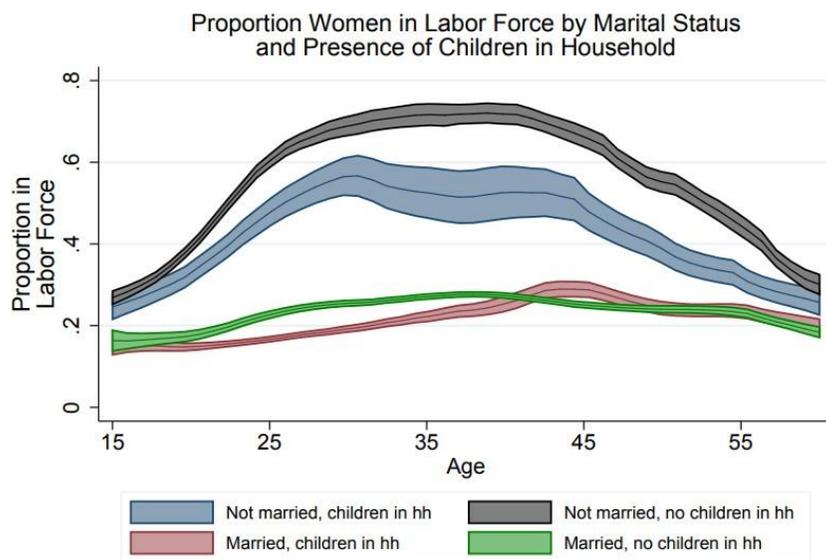
% of self-employed, 2017



- Of those men and women entering the workforce, the percentages of each group who classify as 'entrepreneurs' remain roughly the same
- This definition of 'entrepreneurs' includes both the self employed and those hiring at least one other worker
- However, we note that firms owned by women are much smaller those owned by men : 14% of firms hiring 2-5 employees are owned by women, but only 6% of India's 'mass entrepreneurs' are women

Youth women in particular are unable to join the workforce and become entrepreneurs

Women drop out of the labor force after marriage and childbirth



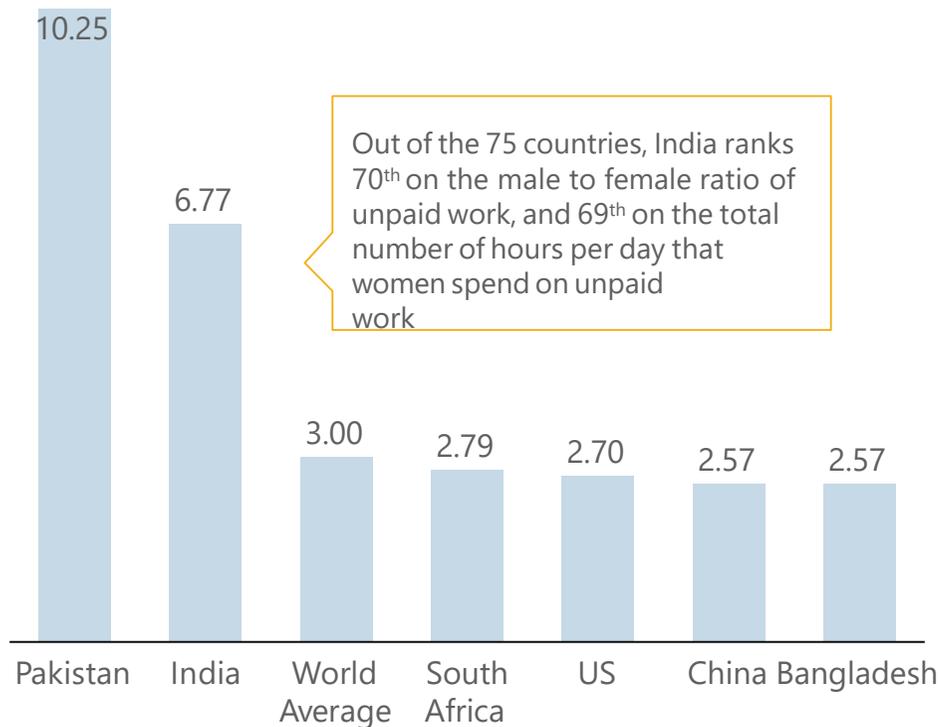
- The pressures of domestic responsibilities start mounting on women when they get married, and further after childbirth
- This means that youth women at the peak ages (~20-35 years of age) for marriage and childbirth find it most difficult to join the workforce and become entrepreneurs
- As their children grow older and more capable of looking after themselves, women might find it easier to enter the workforce

We see a huge dip in labor-force participation rate for married women and a further dip for married women with children, between the ages of 20 and 35 – i.e. married women leave the workforce after childbirth and return once the child had grown older

Indian women have some of the highest rates of time poverty, which keeps them out of the workforce

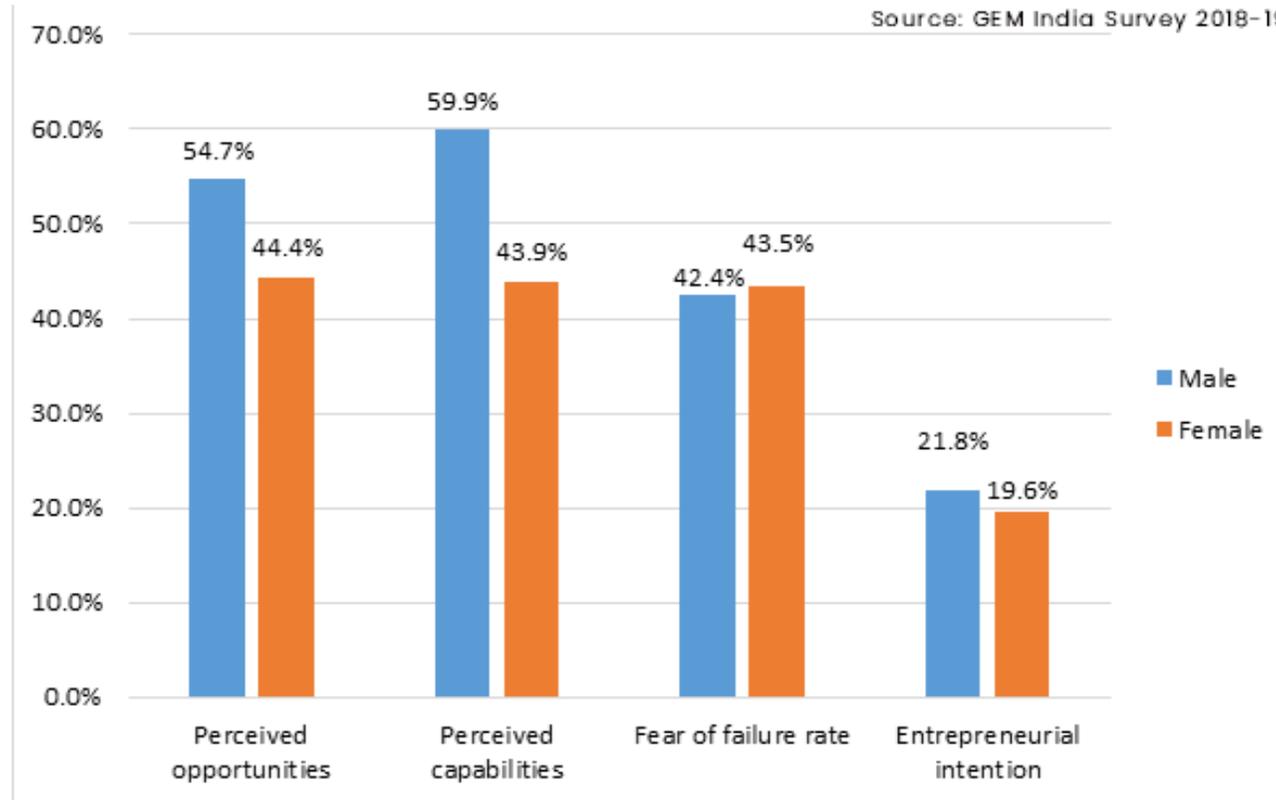
Female to Male ratio of unpaid work

Percentage, 2015



- Time poverty is the time spent on unpaid work like childcare and domestic chores.
- Indian women spend 7 times as much as men do on these chores, translating to 6 hours/day on unpaid labor
- This time poverty leaves women with much less time to enter than workforce than men
- Hence, the main obstacle to becoming entrepreneurs faced by young women in India lies in entering the workforce itself – not in converting women in the workforce to entrepreneurs

Gender Wise Self Perception about Entrepreneurship in India (% of population aged 18-64 years)



- Fear of Failure is higher among females as compared to males
- Perceived Opportunities, Perceived Capabilities & Entrepreneurial Intention of females is lower than that of males as per the GEM Report 2018-19

Women Entrepreneurs in India



Out of 58.5 million businesses counted by that census, **8.05 million were owned by women**



13.76 percent of women among the total number of entrepreneurs in India (20% according to Bain)



More than 90 percent of companies run by women **are microenterprises**, and about **79 percent are self-financed**



The vast majority of male and female-owned enterprises do not employ wage workers, but rather consist of only a single working owner or an owner alongside unpaid family workers



Scale of operation tends to be smaller for women than for men

The proportion of women-owned enterprises that hire three or more workers is a mere 2.7 per cent (only 45,000 hire between six to nine workers, and 25,000 hire more than 10). For men, the comparable numbers are 6.3 per cent, 500,000 and 233,000.



The total number of workers employed by women-owned enterprises in 2013-14 was 13.4 million of which 77 per cent were female, exhibiting a **high tendency for women to work with other women.**

Women Entrepreneurs in India



Of the 13.4 million workers employed by women entrepreneurs, **3.1 million were formal workers**



home-based enterprises employ more informal workers (89 per cent) while enterprises operating out of commercial premises employ an almost equal number of formal and informal workers on average.



Home-based enterprises **also tend to employ more women workers** (83 per cent) than commercial-premise-based enterprises (67 per cent)



35 percent of start-up directors are women now and women constitute



The average age of the **58 percent of Indian women entrepreneurs is between 20 and 30 years** and around **25 percent of women started their businesses before 25 years of age.**



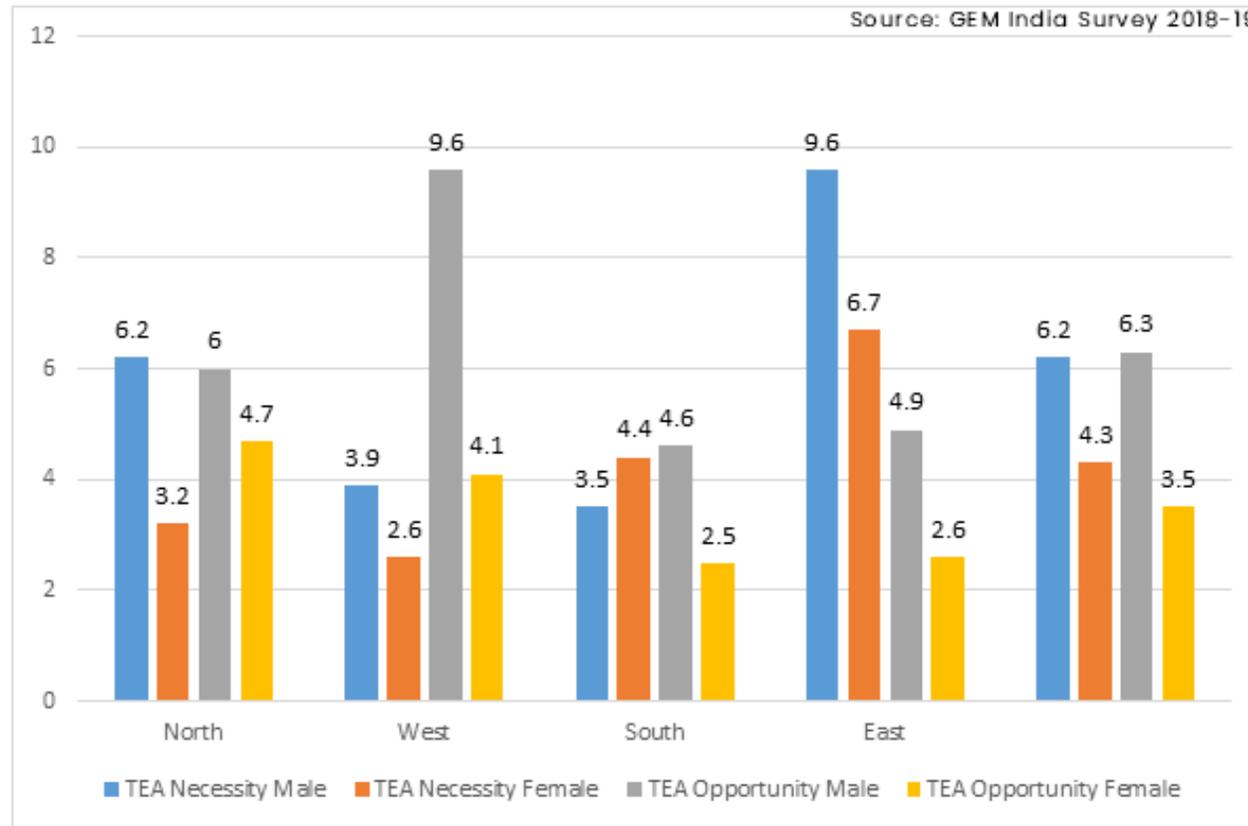
Cities with highest women entrepreneurs are **Bangalore, Delhi-NCR, Chennai, Mumbai, and Hyderabad.**



Annex – Special Focus on Punjab & Karnataka

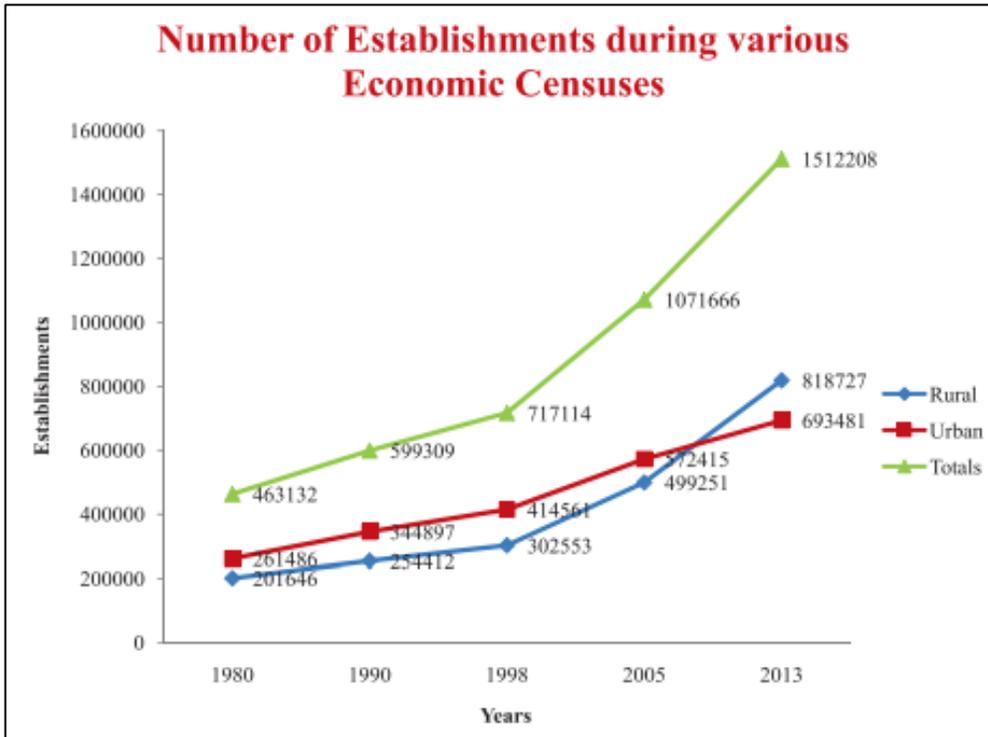


Region Wise Early Stage Entrepreneurial Activity (% of adult population 18-64) - GEM India Survey 2018-2019



- Highest TEA Necessity Entrepreneurs Male & Female are found in East
- Highest TEA Opportunity Entrepreneurs Male are found in West
- Highest TEA Opportunity Entrepreneurs Female are found in North
- North & West have higher opportunity female entrepreneurs than necessity entrepreneurs (and vice versa for South & East)

Overview-Punjab



There has been a significant growth in the no of establishments formed since 1980, However, it is still very low compared to the national average

Number of Establishments

Top Five Districts		Bottom Five Districts	
Ludhiana	213586(14.1%)	Roopnagar	33224(2.2%)
Jalandhar	136324(9.0%)	Pathankot	32974(2.2%)
Amritsar	134748(8.9%)	Barnala	32303(2.1%)
Sangrur	126796(8.4%)	SBS Nagar	31232(2.1%)
Patiala	104682(6.9%)	Mansa	24696(1.6%)
Total	716136(47.3%)	Total	154694(10.2%)

- Punjab has a very low share of India's own account establishments (2.59%) (& majority do not hire any workers)
- Employs 2.78% of the total employed by all own account establishments
- Punjab does not feature under top five states/UTs for Women owned Establishments (Need to push women entrepreneurs) (*Only 1.38% of all women owned enterprises are in Punjab*)
- **Entrepreneurial activity** in the Manufacturing sector is highest in the regions of Gujarat, Meghalaya, Puducherry, **Punjab** and Rajasthan (EC)

Punjab Youth Entrepreneurship

As of 2017-18, youth unemployment rate stood at 21.6% as compared to national level of 17.8%..

Drug addiction, high dropouts from formal education system, high unemployment rate due to better economic status, high mismatch in aspirations & jobs, are some of the problems faced by youth of Punjab

Challenges faced by Women Youth Entrepreneurs

Access to finance is a major constraint for females to set-up entrepreneurial ventures in Punjab.

- Females are heavily dependent on own finances for capital investment.
- As per estimates of the Sixth Economic Census (2013-14), the situation in Punjab is relatively worse off. ***85% of female owned entrepreneurial establishments are mainly financed by their own finances, against 79% at the national level.***
- The second major source of finance is donations/grants from other agencies. This dependence on self-finances highlights the missing link between access to finance and entrepreneurial empowerment of women

Industries (Youth entrepreneurs are engaged in and have potential to grow)

Agro Processing/Food Processing Plants

Textile & Manufacturing

Moo Farm

SCALABLE MODEL



MOOFARM IS BUILDING A CONNECTED COMMERCE PLATFORM



Moo Farms (mostly present in Punjab & Haryana)

- Technology platform/application for dairy farming in India. Digital records, end to end dairy management
- **Launching a program (D.A.W.N) to support 1 million dairy farmers (endorsed by UN Food Summit & WEF) as dairy tech-preneurs (extension providers)**
- Key Pillars:
 - Digital Literacy, EDP specific to Dairy Farming
 - Connect with certified and trustworthy veterinarians and experts for artificial insemination
 - Connect with cattle insurance companies
 - Connect the women entrepreneurs with e-commerce for forward linkages

Possible Gaps/Opportunities for Growth

- **Funding:** Sourcing philanthropic funding/grants for this project, connect with State Governments (they are looking for NPOs with strong leadership to partner with them for applying for various international grants)
- **Scaling:** the program is currently working with 100 such women ambassadors across Haryana and Punjab. There is a huge scope of scaling in Punjab itself. Invest Punjab also endorses this model
- **Replicate:** across Haryana and other agrarian states such as Maharashtra
- **Build Strong Partnerships** with Cattle Insurance Companies, Fin tech companies, with e-vet service providers
- **Capacity Building: Market Linkage support,** Connecting women tech-preneurs with markets either through e-commerce or with local mandi's is essential for sustainability of their dairy businesses

E-Dairy Mitra

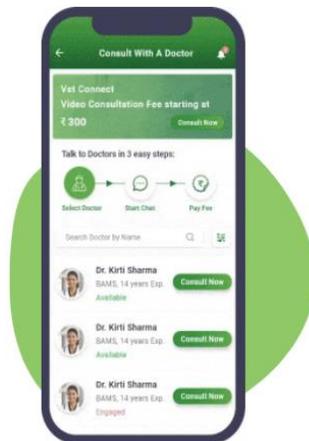
MooFarm Saba

Digital Livestock Management

MooCoins

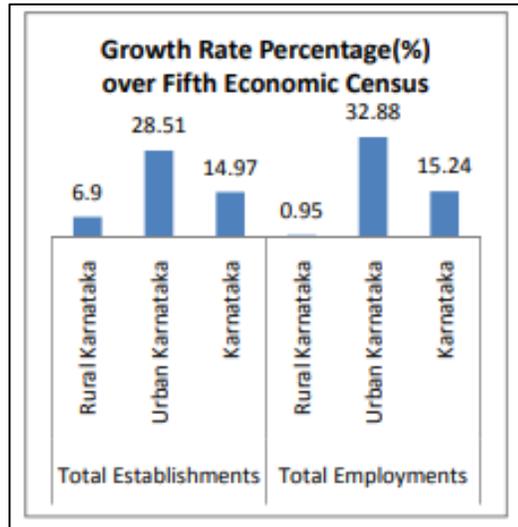
E-commerce

Fin-Tech



- Connect with an Expert Veterinarian via audio/video calls and chat, similar to a Whatsapp interface
- Schedule a certified Veterinarian visit at your doorstep using an Uber-like Model
- Get affordable and transparent pricing for all veterinary services

Overview-Karnataka



Percentage Growth in Total Number of Establishments

Top 8 Districts

Chamarajnaragara	98.74	Shimoga	31.78
Mandya	69.28	Chikmagalur	27.97
Hassan	61.17	Dharwad	22.26
Bangalore urban	35.27	Bangalore Rural	34.69

Percentage Growth in Total Employment

Top 8 Districts

Chamarajanagar	74.07	Bangalore Rural	29.71
Hassan	48.15	Davangere	27.20
Mandya	46.84	Chikmagalur	26.23
Shimoga	39.28	Bangalore Urban	36.83

- There has been a ~15% growth in the no of establishments formed since 5th EC.
- Karnataka has a very low share of India's own account establishments (4.92%) (& majority do not hire any workers)
- Employs 5.44% of the total employed by all own account establishments
- **Karnataka stands 4th in terms of larger establishments (employ 10 or more)-6.86%**
- Karnataka does not feature under top five states/UTs for Women owned Establishments (Need to push women entrepreneurs) (*Only 6.78% of all women owned enterprises in India are in Karnataka*)
- **85% of women establishments are self financed**

Karnataka Youth entrepreneurship challenges

In Karnataka, unemployment rate for youth (15.8%) is marginally lower than the national rate (23.75%)

- It is estimated that 2.12 crore persons are in the age group (16-35). Over 45% of 2.12 crores youth population is not in the labor force. About 52% of the youth population is male, while the rest are female. Over 76% males are in the labour force; but the corresponding proportion of females is only 31%, thus indicating a huge gap in the participation of male and female in the labor force.
- Over 53% of females are engaged in domestic (unpaid) work in their households as against 0.1% of males . Again, the proportion of females taking up self and salaried employment is low as compared to males due to, among others, low enrolment in vocational educational institutions.
- Percentage of women receiving vocational training is significantly lower than men.

Challenges faced by Women Youth Entrepreneurs

Access to Finance: 85% of women establishments are self financed . Collateral and hassle-free finance is the need of the hour for the growth of women micro entrepreneurs in Karnataka

Industries (Youth entrepreneurs are engaged in and have potential to grow)

Food processing and value addition to the agricultural produce ,Education, IT&ITES, Health Care Services, Building, Construction Industry and Real Estate and Tourism, Travel, Hospitality and Trade, Agriculture and allied activities, Transportation, logistics, warehousing and packaging , Textiles and garment

Industree

Production Units in Karnataka:

- In Karnataka, Industree is working with producers in the apparel value chain, setting up independent producer units of 15 to 25 producers, primarily in Mandya and Ramanagara districts.
- Partnerships: Industree has already identified and finalized partnerships for this project – with the UNDP, British Asian Trust, Social Venture Partners, Mastercard Center for Inclusive Growth, National Skills Development Corporation and National Rural Livelihoods Mission. The first of the training sessions began in June 2017.

Models which can be replicated in Karnataka

- Greenkraft is a producer-owned social enterprise – a Producer Company under Indian law, incorporated in 2012, supported by Industree Foundation. Currently it is based outside of Madurai, in Tamil Nadu. Almost 100% of the members are women, with a few them in supervisory positions.
- IKEA as one of the vendors of Greenkraft

Possible Gaps/Opportunities

- **Funding:** sourcing funding for training and handholding of these producer companies
- **Scaling Up** by providing market linkage with other domestic and international brands
- **Replicate:** Lighthouse project for other states- for example, Punjab has a growing arts and crafts sector (Phulkari, Juttis, rugs etc.)
- **Technology:** create a unified platform for women to be a part of this initiative

