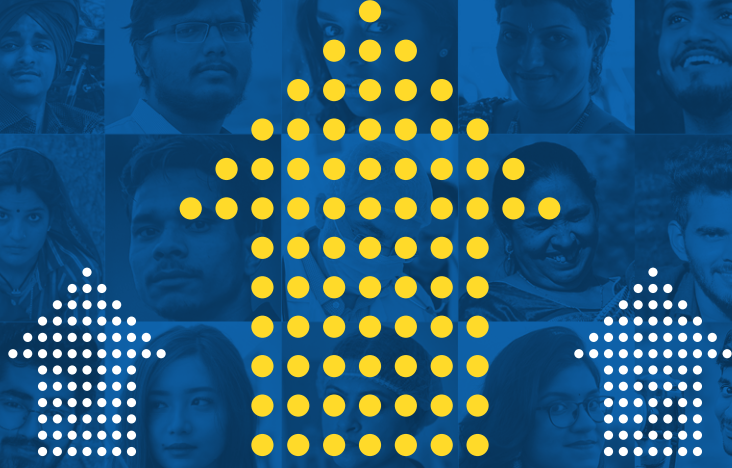




OMIDYAR NETWORK INDIA



The Next Frontiers

Skilling and Employability Solutions for the Next Half Billion

Research Partner

redseer
Strategy Consultants



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Executive Summary



➤ Introduction

When India became the world's most populous country this year, its massive, young workforce was propelled into the spotlight—at 28¹, the median Indian is a full decade younger than the median Chinese person. India has the world's second-largest working-age population, and its potential workforce will continue to grow in size until 2049. With 960 million potential workers², this is India's moment to unleash the power of its greatest asset—its people. The country is ready for an exponential leap towards creating millions of jobs; but to fully harness the potential of these workers, India must invest in enhancing the employability of its vast human resource pool to prepare for the economy of the future.

India's employability challenge is two-fold:

- Converting potential workers into active workers.
- Upskilling those in the workforce to prepare them for the jobs of the future.

India's Labour Force Participation Rate (LFPR) is low at 46%³, driven down in large part by low female work participation (27%⁴). Simultaneously, there is an acute skills gap, exacerbated by the fact that the majority of the Indian workforce is in the informal sector, where opportunities for skilling are sparse.

To tackle these challenges, this report explores the market for skilling and employability solutions for the vast pool of unskilled, low- and moderately-skilled workers. The study includes a primary sample survey of 5,000 respondents of various cohorts with intersections of gender, income and location. It also includes 100 in-depth qualitative interviews of workers, 35 interviews of employers, and over 20 discussions with experts and entrepreneurs.

The study identifies pockets of potential opportunities for entrepreneurs, government and non profits to build solutions for or incentivise tech-enabled skilling and employment opportunities. There is a role here for all three levers—'Samaaj, Sarkar, Bazaar'⁵ or 'Society, Government and the Market' to come together—to create jobs and substantially improve livelihood outcomes.



This could be India's moment: it has one of the world's largest workforces, and the median Indian worker is younger than the global average.

1 UN World Population Prospects 2022

2 Redseer estimates using PLFS and CMIE

3 Redseer estimates

4 Redseer estimates based on PLFS and CMIE

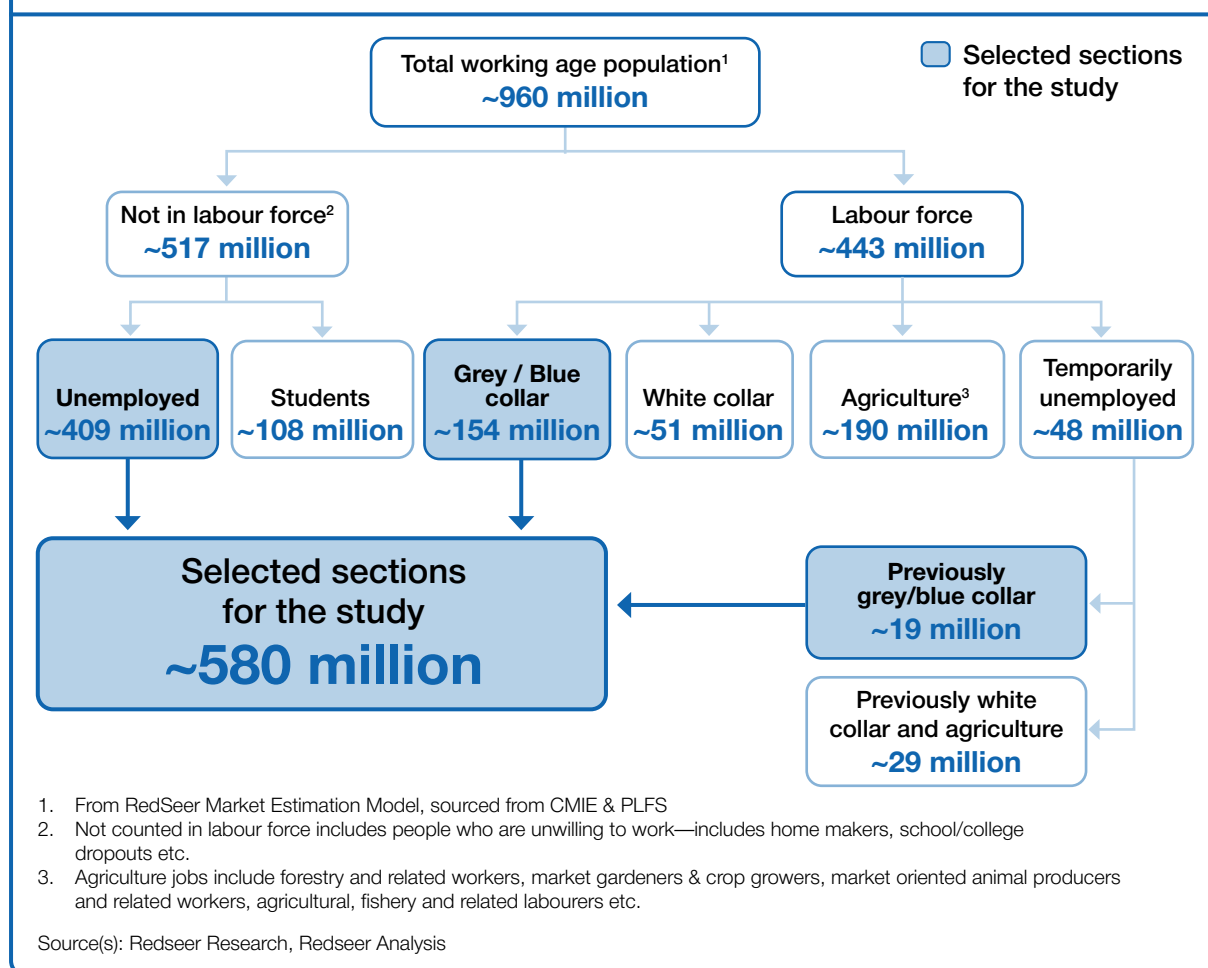
5 The philanthropist Rohini Nilekani refers to these as the three pillars on transformation in her eponymous book

➤ Addressable population for blue/grey collar is 580 mn

India's labour pool is highly diverse and therefore, targeting the skilling and employability needs of the workforce will need both quantitative estimation, and a granular, qualitative understanding of needs and aspirations.

Using data from reputed Indian surveys⁶, we analyse India's 960 million-strong potential workforce and identify a roughly 580 million-strong group that can be targeted for skilling and employability development. A large part of this 580 million is the Next Half Billion (NHB)—the relatively less affluent people who first came online via their phones between 2018 and 2022—who are at the core of ONI's work.

➤ **Figure 1: 580 million individuals require skilling and employability support**



6 Periodic Labour Force Survey (National Statistical Office) and Consumer Pyramids Household Survey (Centre for Monitoring the Indian Economy)

These people are unlike the first wave of internet users who were from upper and upper-middle income backgrounds; they come from the bottom 60% of India's income distribution and earn less than ~Rs 21,000 per household per month. Helping these driven Indians achieve their full potential for the jobs of the future drives ONI's mission in India.

This study excludes the white collar labour force, students and the agricultural labour force. The white-collar labour force is excluded since they are a highly skilled segment with lower need gap and presence of multiple solutions compared to other segments. While many students do require employability support solutions, this is a relatively better-served market, with multiple solutions already in place to tackle their needs. For the agricultural workforce, however, solution development and targeting is highly complex and diverse on account of their high rural concentration, lower literacy levels and relative barriers to solutions, despite a wide employability need gap.

➤ Persona identification and prioritisation

To design tailored solutions through a more granular understanding of this vast pool of potential talent, we turn to insights from our primary survey, and divide these 580 million people into eight personas based on their household incomes (deprived, aspirers or middle income), and their type of employment (unemployed, self-employed and salaried) (Figure 2).

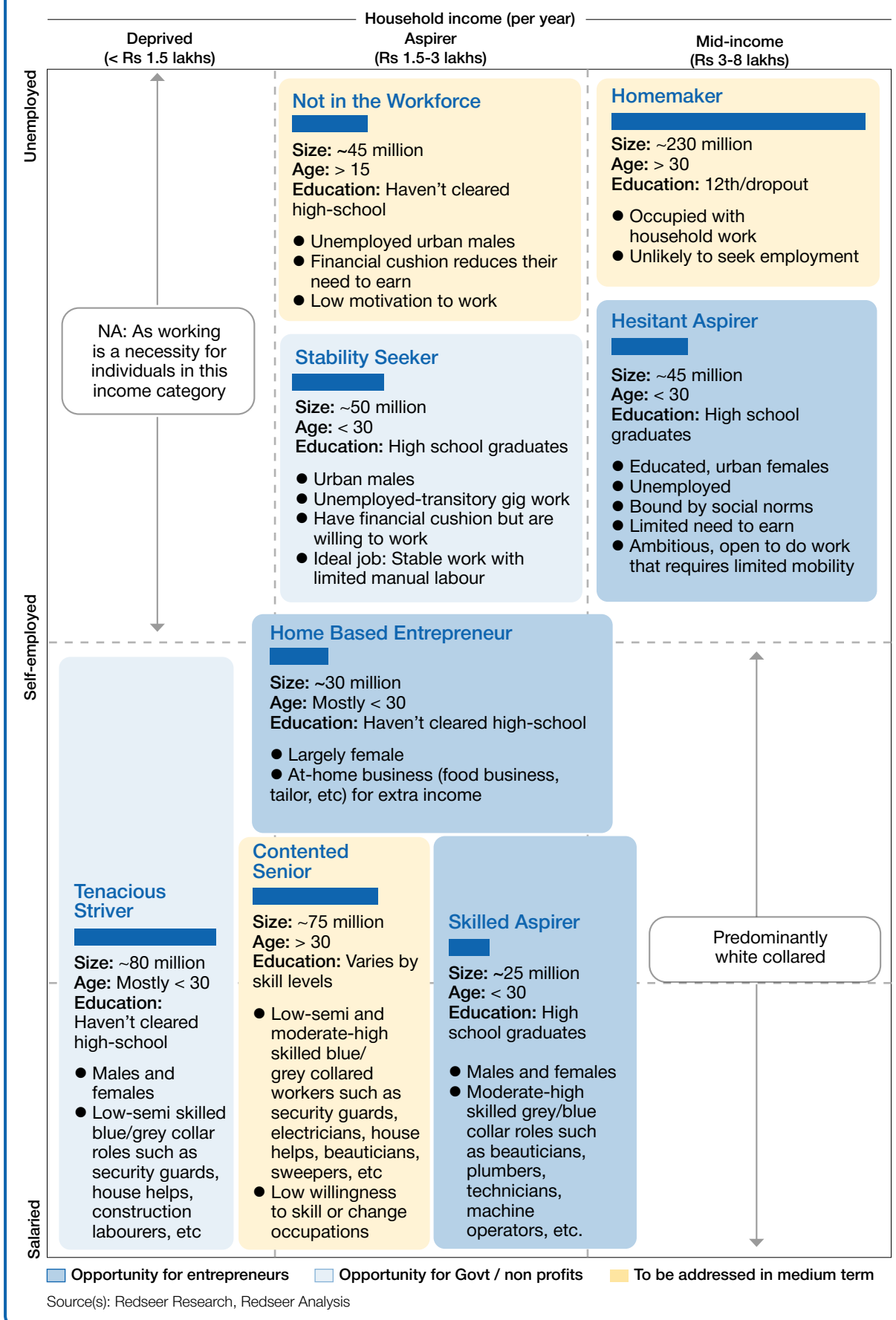
The desire to rise above their current positions cuts across boundaries of gender, income and occupation. When asked about their top aspirations, the desire to start their own businesses, rise in their current occupations or move to white-collar jobs dominated to different degrees.

Based on our primary survey, we find that five of these eight personas (Skilled Aspirers, Tenacious Strivers, Home Based Entrepreneurs, Stability Seekers and Hesitant Aspirers) representing ~230 million people, are willing to upskill and switch jobs in search of better compensation, stability and growth. The potential impact of skilling and upskilling initiatives in different personas of individuals varies.

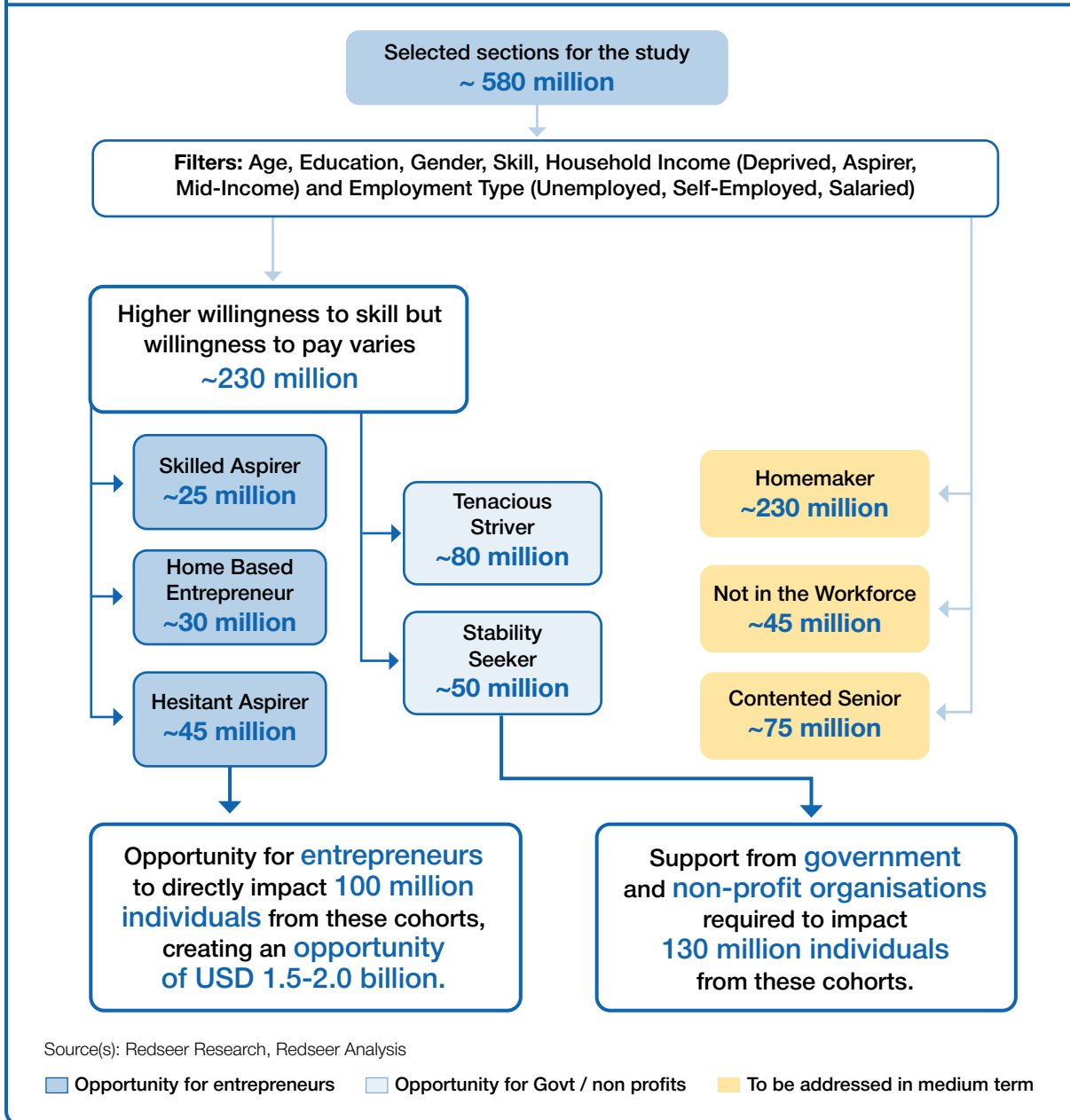


A key opportunity is to bring more women into the workforce. India has one of the lowest rates of female labour force participation in the world.

➤ **Figure 2: 8 major personas emerge within these 580 million**



➤ **Figure 3: 230 Mn individuals have a high willingness to skill**



➤ **Opportunities for entrepreneurs**

According to the survey data, there is a high willingness to pay for skilling among the Skilled Aspirers, Home Based Entrepreneurs, and Hesitant Aspirer personas, which collectively represent a market of ~100 million people. Based on the type of persona, willingness to skill and pay, and the average ticket size of the course, there is an opportunity for entrepreneurs to tap into this demand and create an immediate opportunity for market-based skilling solutions worth approximately USD 1.5 to 2.0 billion.

In the employability space, there are large opportunities to build profitable businesses. Globally, companies like Work Rise / JobAndTalent (which have multi-billion dollar valuations) have built successful at-scale models; they could provide useful direction to build large and valuable job and staffing platforms for India's blue and grey-collar workforce.

➤ Opportunities for government and the non-profit sector

For ~130 million Tenacious Striver and Stability Seeker personas, there is interest in skilling, but a low willingness to pay upfront to upskill. Through effective policy implementation and funding for these individuals, non-profits and government agencies have an opportunity to impact these personas and potentially reach 130 million people.

On the other hand, the ~350 million people comprising Contented Seniors, Homemakers and those Not Seeking Employment who demonstrated lower willingness to skill, upskill or join the workforce were excluded from this analysis. Our research suggests that each of these three personas require far more support in building awareness; developing their aspirations would be important to bring them into the workforce.

While non-profits and governments could focus on life skills education for those in the Not Seeking Employment category, for the Contented Seniors, there is a need to formalise their employment to enhance job security and stability. For Homemakers, a key barrier to entering the workforce is lack of support at home and the unavailability of relevant and convenient work opportunities. Policy proposals being experimented with across the country offer promising ways forward, including direct benefit transfers to women, free or subsidised mobility, subsidised childcare, as well as food assistance to school going children.

➤ Towards solutions and implementation

We have developed a framework to identify the most needed solutions based on insights from the in-depth interviews covering the following areas:

- What are the aspirations of each of the persons?
- What are the gaps and challenges in meeting these aspirations?
- What solutions will most easily and effectively address these gaps?

➤ **Figure 4: Persona-wise Skilling and Employability Solutions**

(A) Progressing in current occupation

(B) Starting/Enhancing own business

(C) Government jobs

(D) Do a remote/home based jobs

	Skilled Aspirer		Home-Based Entrepreneur		Hesitant Aspirer	Tenacious Striver		Stability Seeker	
	(A)	(B)*	(B)	(C)	(D)	(A)	(B)	(A)	(B)
Skilling Support									
Enhanced vocational skills	✓					✓		✓	
Communication skills					✓	✓		✓	
Computer literacy					✓				
Digital marketing skills		✓	✓						✓
Basic business management		✓	✓				✓		✓
Test prep in vernacular				✓					
Financial literacy			✓				✓		

Employability Support

	(A)	(B)	(B)	(C)	(D)	(A)	(B)	(A)	(B)
Access to capital		✓	✓		✓		✓		✓
Market linkages: access to demand / supply		✓	✓						✓
Access to relevant job portals	✓				✓			✓	
Gig and staffing platforms	✓				✓	✓		✓	
Initial setup support			✓				✓		✓

*They would already have a business thus won't require initial capital support

Source(s):Redseer Research, Redseer Analysis



An additional 100mn people entering the workforce have the potential to increase GDP by 20% and propel the Indian economy towards USD 4 trillion.

To deliver on our skilling and employability solutions, our survey studied how information is consumed. We found that while this a workforce that is digitally native, barriers to knowledge remain. Using these insights, we crafted three key inputs which could be crucial in creating skilling and employability courses and content that are not just adopted, but go on to have a sustainable impact.

1. Awareness and Onboarding

- › Word-of-mouth referrals and demonstrating success stories is critical to drive awareness and enrollment.
- › Leveraging YouTube and other shortform channels can build top-of-the-funnel awareness and onboarding.

2. Course Structure and Delivery

- › Contextualised and hyper-localised content in multiple Indian languages is key to reach currently underserved personas.
- › Overall course duration should be kept short (5- 7 weeks) to accommodate for the time constraints of different personas.
- › Leveraging familiar digital interfaces and social media applications for course delivery will facilitate uptake, especially for women.

3. Financial Aid

- › Co-developing innovative financial schemes such as stipends, cost-sharing and pay-after-placement models can accommodate those with a lower ability to pay.

➤ Conclusion

India's young workers are poised for take-off; an additional 100 million people entering the workforce would not only substantially improve their own and their family's lives, but also has the potential to increase GDP by at least 20% and accelerate India towards becoming a USD 4 trillion economy. Given the heterogeneity of the potential Indian workforce, upskilling to make these ambitious Indians employable, will need a granular, persona-based approach.

➤ 6 Key Takeaways

1 **Greater focus on the blue/grey collar skilling and employability will yield the greatest dividends**

With a large share of the workforce in the informal sector, focus will need to be on the segments that have significant skill gaps. Unlocking the productivity of the 580 million people who are in blue/grey collar jobs or are unemployed will substantially expand the workforce, boost labour productivity and create future-proof employability.

3 **There is significant space for market solutions in both skilling and employability support**

Entrepreneurs have an opportunity to directly impact 100 million individuals who have both the desire to upskill as well as the ability to pay for skilling solutions, creating USD 1.5-2.0 Bn opportunity. While a large share of the workforce our study considers is currently unemployed, our research finds that for all levels of occupational categories, there is a significant need for employability support.

5 **Skilling & employability support in 6 key areas will have disproportionate impact**

Across the personas that the study identified, what emerges as the most important skilling solution is basic business management skills. Also crucial are digital marketing skills, communication skills and enhanced vocational skills. We need to build adequate capacity for delivering these skills to each of the personas. For employability support, access to capital and access to gig and other staffing platforms are the most critical solutions.

2 **Given heterogeneity of the Indian workforce, solutions will need a granular approach**

India's workers start with widely varying abilities, incomes and needs. Our research uses a persona-based approach to understand workers' and potential workers' skills, limitations and aspirations, and help craft skilling and employability solutions. This will enable them to move to the jobs they desire, as well as acquire skills that make them future-ready.

4 **Government and non-profits have the opportunity to cater for sections that can't afford loss of pay or have low ability to pay for skilling**

Government support through policy and funding for non-profits and entrepreneurs will be crucial to address the needs of 130 million individuals. Direct government support initiatives can include subsidised skill development programmes, strengthening initiatives like apprenticeship programmes and capital support programmes. Indirect support initiatives can include policy changes that support those currently out of the workforce including paid childcare and parental leave policies.

6 **Awareness building, short program duration, content contextualisation and financial aid are crucial to successful implementation**

Word-of-mouth referrals and leveraging YouTube can be vital in building awareness of courses. Overall course duration should be kept short (5-7 weeks). Other key success factors include content that is contextualised to the learners' socio-economic profile and innovative financial schemes such as stipends, cost-sharing and pay-after-placement models for those with a lower ability to pay.

This study hopes to provide a roadmap to help India leverage its demographic potential. This could be India's century, if this untapped workforce is empowered to take on the jobs of the future.

Chapter 1

India's Skilling and Employability Opportunity



➤ Background

It is a moment that could be generation-defining.

India stands at the cusp of a transition that will have an impact—economic and social—on not only the country, but the entire world. One part of this is the demographic transition; in 2023, India overtook China as the world’s most populous country, accounting for more than a sixth of the global population. But the median Indian is a full decade younger than the median Chinese resident, and two years younger than the global average⁷. India has the world’s second-largest working-age population, and its potential workforce will continue to grow in size until 2049. With 960 million potential workers, this is India’s moment to unleash the power of its greatest asset—its people. The country is ready for an exponential leap towards creating millions of jobs; but to fully harness the potential of these workers, India must invest in enhancing the employability of its vast human resource pool to prepare for the economy of the future.

Sheer numbers will not be enough—neither for these young people, nor for the country. The other piece of the puzzle will be how well placed these young Indians are to power economic fulfilment for themselves, and to power growth and development for the country.

These young people—aspirational, ambitious, and increasingly comfortable with technology—have been an area of focus for Omidyar Network India (ONI). The Next Half Billion (NHB)—the relatively less affluent people who first came online via their phones between 2018 and 2022⁸—are the core of ONI’s work. These individuals are unlike the first wave of internet users who were from upper and upper-middle income backgrounds; they come from the bottom 60% of India’s income distribution and earn less than ~₹21,000 per household per month. Helping these driven Indians achieve their full potential for the jobs of the future is this report’s focus.

In this chapter we consider the two key challenges ahead of this transformation—the substantial share of Indians, largely female, currently out of the workforce, and the acute need for upskilling those already in the workforce. We then discuss the unique circumstances that will determine how employability solutions are crafted, before laying out our methodology.

⁷ UN Population Database

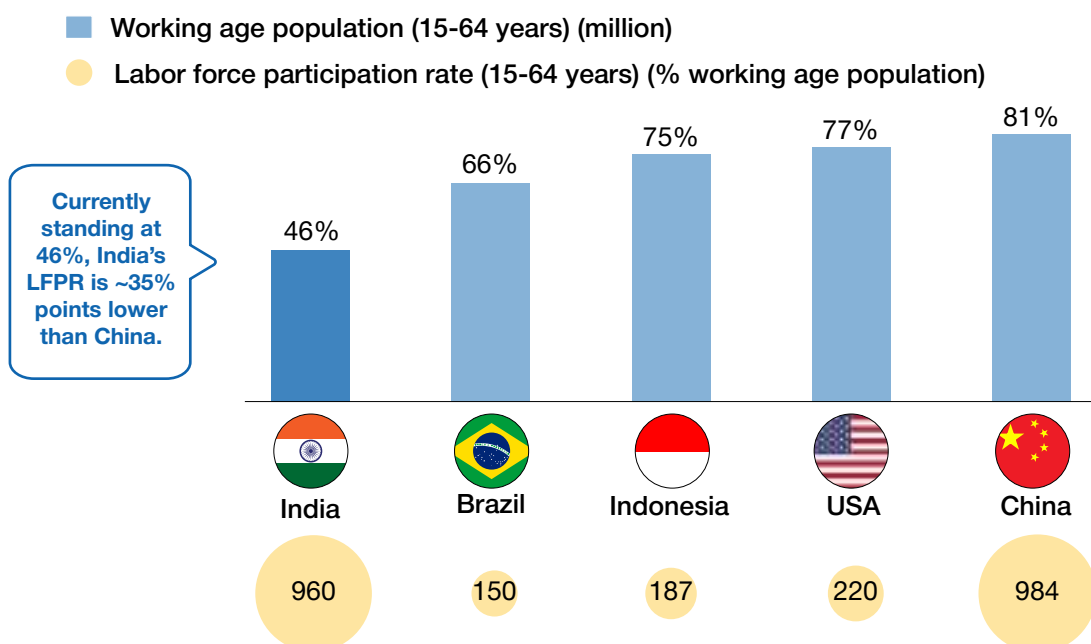
⁸ [The Next Half Billion \(NHB\)](#), Omidyar Network India

➤ India's missing potential workers

The challenge of bringing potential workers into the workforce, particularly in the case of women

Not every person of working age productively participates in the economy. The labour force participation rate (LFPR)—the share of those working age people who are either actively employed or are looking for work—is low in India (46% as of 2022, and low when compared to Brazil, China, Indonesia and the USA)⁹.

➤ **Figure 5: Significant scope for India to improve its LFPR**



Note(s): 1. India labour force is calculated using CMIE and PLFS databases and is for 2022. For others the data is from World Bank for 2021.

Source(s): ILO, United Nations world population prospect, CMIE, PLFS

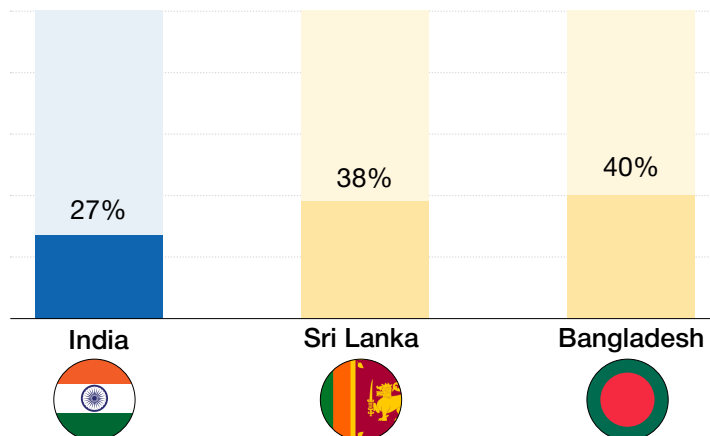
This means that over half of India's working age population (517 million people) are not currently participating in the labour force. Of these, 108 million are not working because they are students. Being in education is not the only reason many Indians are out of the workforce—nearly three-quarters of this vast segment out of the workforce is neither in education, nor looking to join the ranks of the working or work-seekers, providing a massive opportunity to solve for the potential employability of nearly 400 million excluded people.¹⁰

⁹ (LFPR-PLFS & CMIE; working age population-ILO & World Bank).

¹⁰ Redseer estimates

➤ Figure 6: India has among the lowest Female LFPR

Female labour force participation rate, 2022 for India, 2021 for others(%)*



* Females (15-64 years) in labour force as a percentage of female population (15-64 years)
Source (s): Redseer estimates using PLFS and CMIE (for India), World Bank (others)

But while those out of the workforce include both men and women, this number is driven by women. India's female labour force participation rate is one of the lowest in the world. Since the early 2000s, this low share fell even further.

A large part of the explanation for why many women are currently outside the labour force lies at the intersections of social and economic forces in the lives of India's women. Despite a reasonably high female adult literacy rate (66%), just 27%¹¹ of adult women are part of the labour force, a share that is substantially lower than most other middle income countries, and lower than its South Asian neighbours. This decline comes even as women's enrollment in education rises and their political and social participation grows.

The working-age women who are not in India's labour force—they are neither employed, nor actively looking for work—present both one of the greatest challenges and opportunities to India's changing economy and workforce. Understanding what keeps women out of the workforce, what it will take to include them, and where solutions could emerge from could unlock a key transformation in the Indian workforce.

Academic consensus as well as our survey findings indicate that the role of social norms and family restrictions, the inequitable intra-household distribution of unpaid domestic responsibilities including childcare, and concerns over safety are some of the main causes. Additionally,

Bringing Jyoti into the Workforce

Jyoti, a 25-year-old from Delhi, sees education as playing a vital role in life, and with her B.Ed degree, hopes to one day become a teacher. But the path to joining the workforce is unclear to her—she worries that you need a 'recommendation' from someone to get a job, or that her dream job might be far from home, and her conservative family might not allow her to travel to it¹².

Sweetie Das enjoyed the four years of accounting work that she did in Delhi after getting married. But after moving to Guwahati and having a child, she gave up paid work to raise her child. Now she has once again begun entertaining the



thought of returning to paid work if a good opportunity comes up. She's unsure if her husband will agree, and also not certain which sector will provide her the greatest flexibility in terms of time and location.¹³

¹¹ Redseer estimates based using PLFS and CMIE

¹² Redseer Survey and IDIs

¹³ Redseer Survey and IDIs

demand-side factors including the quality of jobs and wages affect female employment¹⁴. Women's labour is often seen as fungible—filling in for a partner while he takes on other work, for instance—making it difficult to consistently quantify and measure.

The survey findings too point to the role of family restrictions—women who are not in the labour force are three times as likely to point to family restrictions as being the chief constraint as compared to men in similar circumstances.

Whether it is solving mobility challenges or facilitating Home Based Entrepreneurship, drawing these potential workers into the productive economy will be a key element of the turnaround the Indian workforce needs.

➤ Enabling a future-ready workforce

The opportunity to upskill Indians in low-skilled work to be more productive and employable

Even as more Indians join the workforce, India's demographic moment will need a productivity push to realise the potential gains—employability needs to be significantly improved for the 154 million Indians in non-agricultural, blue/grey collar jobs. Of these, 88 million are in low-to-semi-skilled jobs, 61 million in moderate-to-high-skilled jobs and 5 million in internet-linked gig jobs.



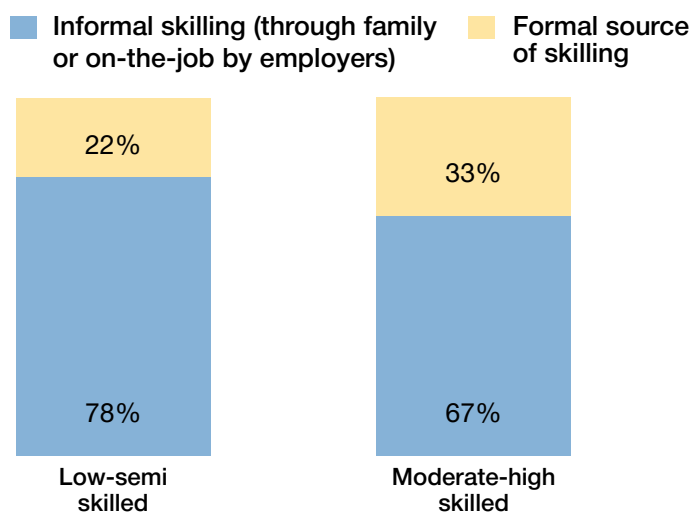
Over half of India's working age population is not currently in the workforce, creating a large untapped pool of potential workers.

Survey findings indicate that a high share of low-semi skilled workers and moderate-high skilled workers have undergone only informal skilling either through their families or employers. 78% of low-semi skilled workers have cited family and employers as their primary source of skilling, while 67% of moderate-high skilled workers have cited family and employers as their primary source of skilling¹⁵.

Large companies have developed dedicated training programmes to better skill their employees. The 300-person Procter & Gamble plant in Bhiwadi, Rajasthan, for example, manufactures razors for the brand Gillette, and hires employees through an apprenticeship programme. The Aditya Birla Group has a dedicated in-house skilling and development centre for training hired candidates.

¹⁴ Dropping Out, Being Pushed Out or Can't Get in? Decoding Declining Labour Force Participation of Indian Women, August 2021
¹⁵ Redseer

➤ **Figure 7: More than 2/3rd of blue/grey collared workers are getting skilled informally**



Source(s): Redseer Research, Redseer Analysis



For most workers in blue/ grey collar jobs, skilling opportunities are informal—either from friends or family, or on-the-job.

On the other hand, small scale companies are still highly dependent on on-the-job training. “Every six months our workers get reshuffled and new workers are provided by the private contractor. They are not skilled, and it takes us around one week to make them fully productive,” a small-scale noodle factory owner told Redseer surveyors. “When a new worker joins us, we give them equipment to train on. This results in wastage of material and time but there’s no solution in the market which solves for our niche requirements,” a representative of Ahmedabad-based AR Sport, an MSME manufacturing unit, told Redseer.

This lack of training contributes to low labour productivity. India’s productivity as measured by global productivity benchmarks is currently low. Labour productivity¹⁶ stands at USD (PPP) 17,000 for India, much lower than countries like Brazil, China and Indonesia¹⁷, and is just nearly an eighth that of the United States’. This immediately places low-skilled workers at risk of being replaced by mechanisation—which is growing steadily in manufacturing¹⁸, and has considerable headroom for growth in agriculture¹⁹—forcing more people to move into non-agricultural jobs for which they will need skills and training.

16 Calculated as the ratio of real gross value added (GVA) to employment

17 RBI Klems Report

18 In the 2001-2005 period, India’s fixed capital to labour ratio was 7; it increased to 11 in the subsequent period. For the period 2016-2018, the ratio was 27, and this implies that more capital is invested per employee and rising mechanisation in organised manufacturing employee: NCAER, RBI KLEMS Report

19 Measuring the level of agricultural mechanisation through the availability of farm power, India only has farm power of 2 kilowatt per hectare (kW/ha), lower when compared to Korea (7 kW/ha), the USA (7 kW/ha) and Japan (14 kW/ha), indicating that there is still substantial headroom for further mechanisation in Indian agriculture.

► Levelling the playing field

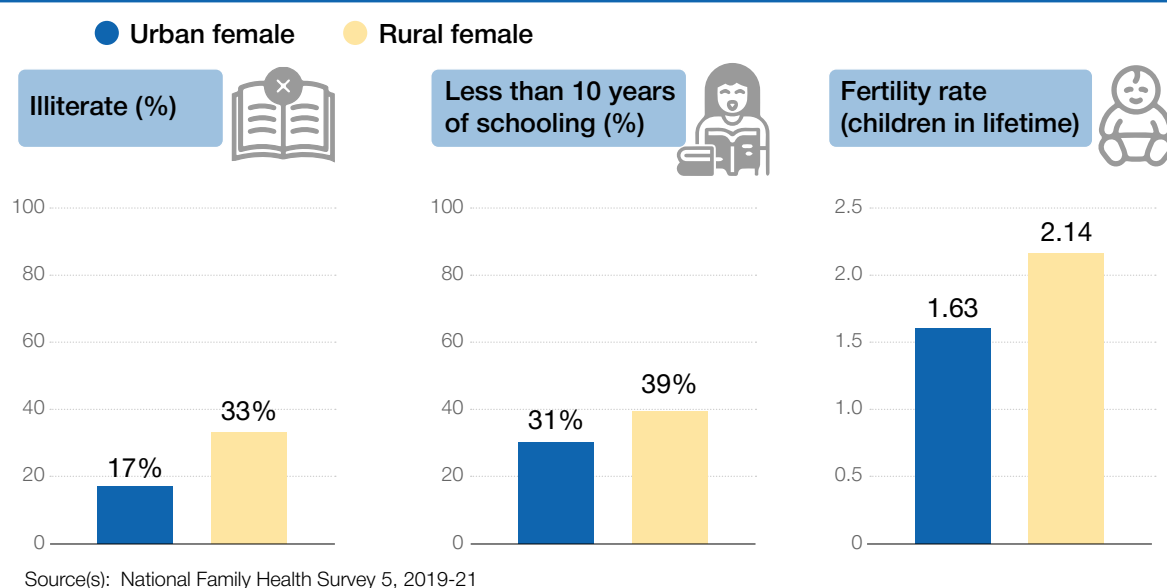
Employability solutions will not be automatically equal, or equally available, to all Indians—this is a deeply heterogeneous country on multiple axes.

a. Unbalanced income distribution: The heterogeneity of the Indian economic landscape can mean that averages sometimes hide just how diverse the experience of wealth and poverty can be. Significant variations mean that the nature and quality of work available to those at the top and bottom of the pyramid will be markedly different and require entirely separate thinking.

b. Significant variation in the role of women: The nature of jobs available to women, as well as their potential to prioritise paid work over household responsibilities, is mediated by factors including the education and fertility of Indian women.

Female education and fertility preferences contrast at rural and urban levels. 33% of rural females are illiterate while 39% of rural females have had less than 10 years of schooling²⁰. Meanwhile, urban literacy rates are substantially higher—just 17% of urban females were illiterate, while 31% of urban females have had less than 10 years of schooling²¹. Similar differences exist when it comes to fertility: the average urban woman is now expected to have just 1.63 children in her lifetime as opposed to 2.14 for the average rural woman²².

► **Figure 8: Significant variation between urban and rural women**



20 National Family Health Survey 5 India Report (2019-2021), Demographic and Health Surveys

21 National Family Health Survey 5 India Report (2019-2021), Demographic and Health Surveys

22 National Family Health Survey 5 India Report (2019-2021), Demographic and Health Surveys

The degree of prioritisation of skilling opportunities and paid work, particularly outside the home, could differ as a result between rural and urban women.

c. Limited employment opportunities in the rural market: The non-farm rural economy still awaits takeoff. Rural India lacks white collar work, limiting the potential opportunities available; only 7% of the rural workforce is employed in white collared jobs against 30% of the urban workforce. 60% of the rural workforce and 12% of the urban workforce are employed in agricultural jobs, while 33% of rural workforce and 58% of urban workforce are employed in blue/grey collared jobs²³.

➤ Skilling and employability solutions

How will this moment of demographic transition be realised? How can Jyoti find her way into the workforce and her independence, and Amit, a food delivery executive in Jabalpur, find a way to rise to the more secure, better-paying job he desires? Over 400 million Indians not currently in the labour force or in education have a high need for reskilling to bring them back into the labour force and improve their employability. Our research shows that there are sizable personas within this segment who would be willing to upskill, as well as to pay for skilling solutions, to put them on the path to employability.

Our research shows that many potentially absorptive sectors are going through a labour supply crunch, and that upskilling can allow them to meet this open demand. In the case of the Contact Centre market in India, for instance, the need for regional language requirements as well as the relatively complex skills required (including problem solving and technical skills along with language fluency in terms of inbound jobs; additional persuading and negotiating skills in addition to the former if the job is of an outbound call type) means that many positions go unfilled. In the Online Home Services market and Online Food and Grocery (F&G) Retail market as well, more skilled jobs including those that need computer skills and people management have the highest scarcity of available workforce.

It is a challenge that encompasses over half a billion people, but despite the size of the challenge, a one-size-fits-all approach will not work. Jyoti, the teaching aspirant, needs a way into the workforce, while Sweetie, the former accountant, needs a way back. Barsha, a 20 year old part time tailor helper from Guwahati, needs formal training, while Prakash, a 33 year old salesperson in a spice company from Meerut, is savvy enough to scour the internet for the best paid courses. Drawing

²³ Redseer Research, Redseer Analysis, CMIE, PLFS, Wittgenstein Centre Human Capital Data, World Health Organization



Can upskilling open up job opportunities? Our research shows that many potentially absorptive sectors are undergoing a labour supply crunch.

on rich data to create personas, and designing solutions based on the personification of these personas allows for a quantitative approach to devising solutions. Using the data as a scaffolding but going beyond the numbers, we also take a qualitative approach to delve deeper into the social and economic challenges, constraints and aspirations to truly understand the persona and subsequently design solutions for them.

➤ Solutioning approach

To identify priority groups, we followed a two-step approach. Initially, we used a large sample to arrive at an estimation model of the workforce; this is to understand the current working age population (960 million) and its segments at the macro-level. Additionally, we used the Segment Identification Framework of need gaps and solutioning effort that helped us select the key segments that were targeted for solutioning (580 million).

For a more granular yet detailed approach, we used the results from a sample survey comprising 4,820 individuals; using some of the key income, gender, age, and employment characteristics, we have created ‘personas’ that comprise groups of select individuals with unique skill and employment characteristics. We then propose specific skilling and employability solutions for each persona based on specific filters.

➤ The Segment Identification Framework

First, Redseer used large-sample survey data²⁴ to divide the 960 million workforce in India into different segments.

Based on the survey data, we look at two key axes—groups with the most pressing skilling and employability need gaps, and for which targeting solutions can be feasibly built.

1. Need gap: This addresses the demand-supply mismatch of skilling and employability requirements across every segment while also taking into consideration the current availability and capacity of solutions to fulfil these requirements.

2. Solutioning effort: This axis takes into account the operational feasibility that is required to develop skilling or employment generation programmes for a particular segment. Target groups would include the ones for which solutions either exist or can be crafted by building on existing knowledge bases.

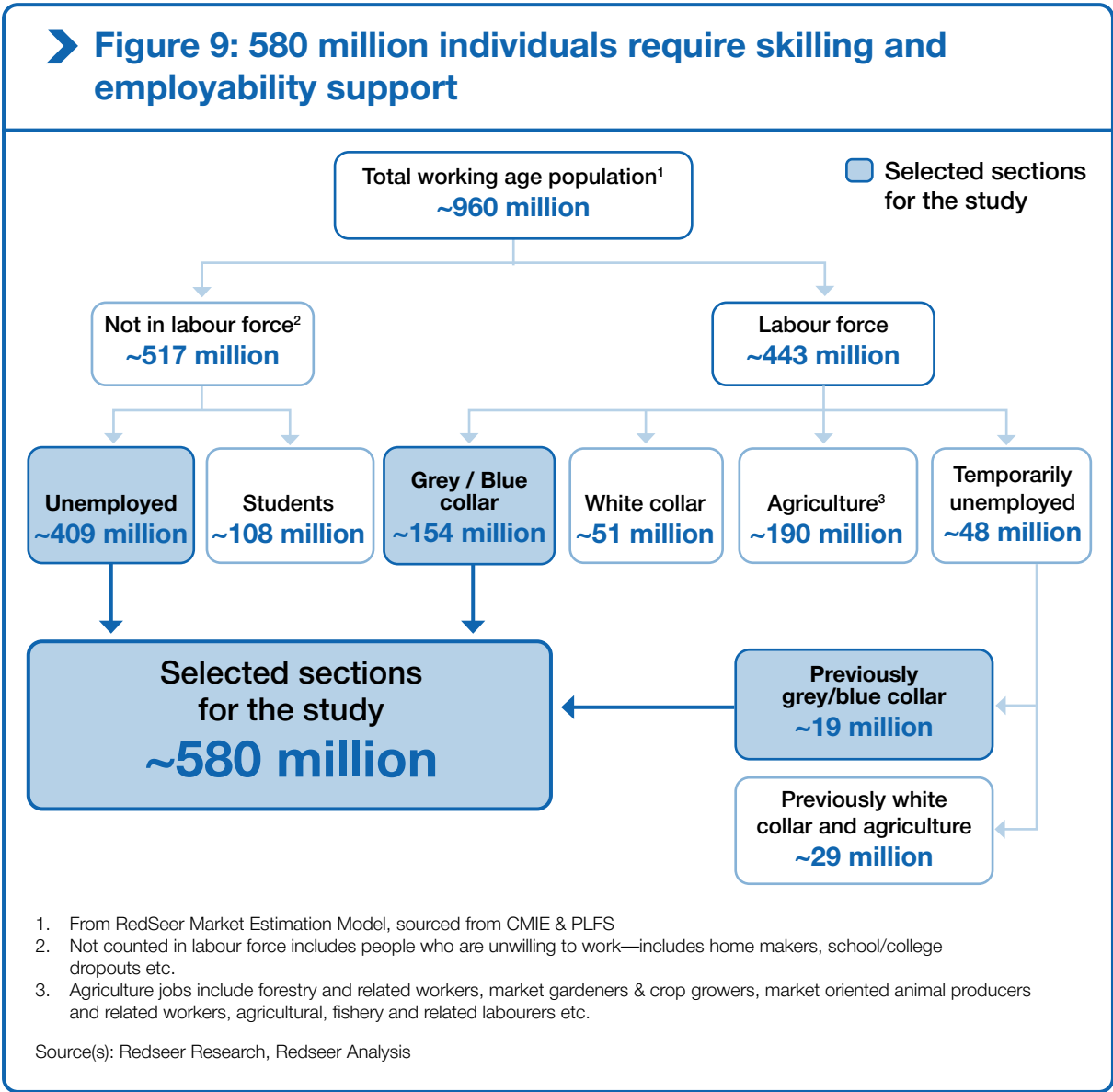
We identified segments based on the degree of need gap (low/high gap) and solutioning effort (low/high effort); segments with high gaps and low efforts were identified for drafting solutions.

²⁴ The Centre for Monitoring Indian Economy (CMIE) and the Periodic Labour Force Survey (PLFS) (Annexure)

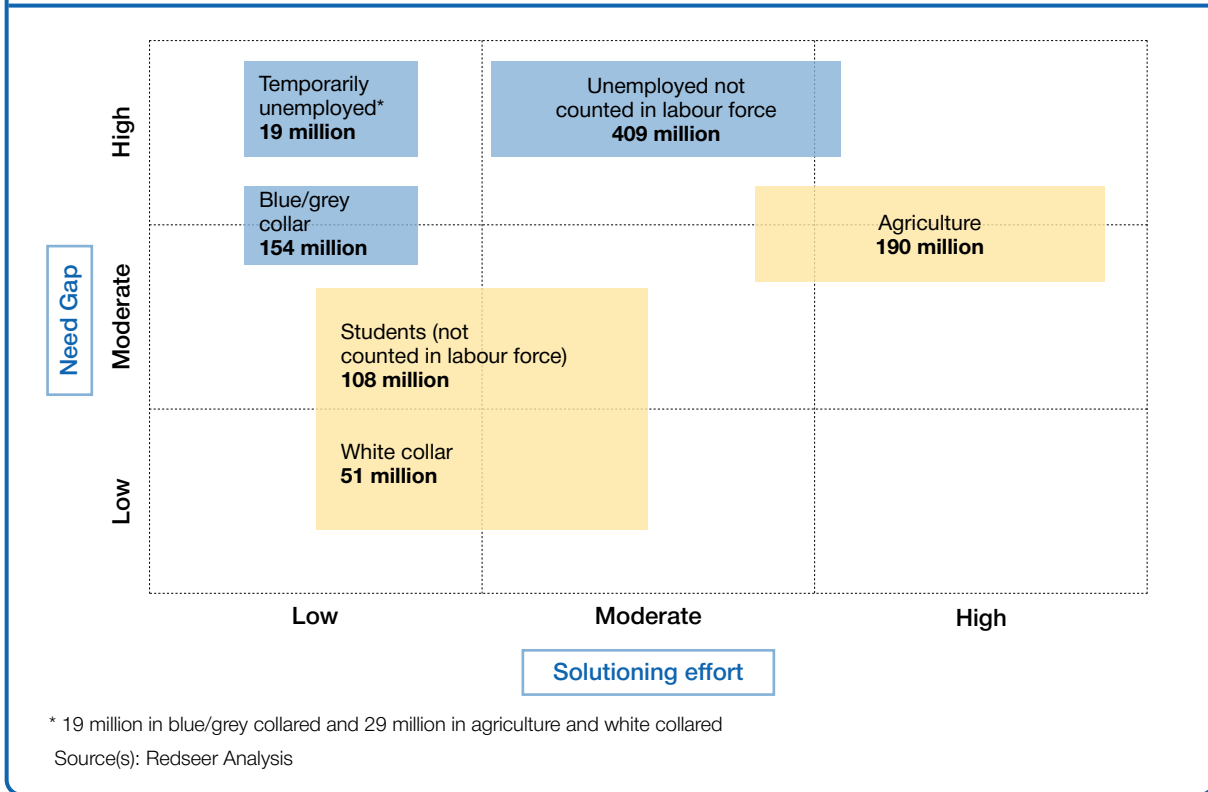
Of the ones not counted in the labour force, the unemployed segment is selected because they are a sizeable segment with significant need to increase employability. Since there are limited solutions available in the market catering to their needs currently, the 409 million strong segment is selected for solutioning.

Of the individuals counted in the labour force, the blue/grey collared (154 million) and temporarily unemployed in blue/grey collared (19 million) segments are selected for solutioning. Skilling for both the segments is highly informal resulting in productivity issues and fear of obsolescence. Additionally, solving the employability need gap is a priority. Given higher urban concentration and digital literacy, developing skilling solutions would be feasible.

Using the above framework, we arrive at an addressable market of 580 million people.



➤ **Figure 10: 580 Mn individuals have a high need gap**



➤ **Persona identification framework**

In order to further identify priority segments, Redseer surveyed 4,820 individuals across the country, based upon three main intersections of city tier, income and gender. The framework initially divides the sample into two basic city tiers of Metro and Tier-1, and Tier-2+/Rural, assigning each 2410 individuals. The income categories of Deprived, (annual household income less than ₹1.5 lakhs), Aspirers (annual household income between ₹1.5 lakhs and ₹3 lakhs), Mid-income (annual household income between ₹3 lakhs and ₹8 lakhs) and Rich have 490, 640, 800 and 480 individuals interviewed by each city tier respectively.

The sample was first broken up by the section of employment/workforce.

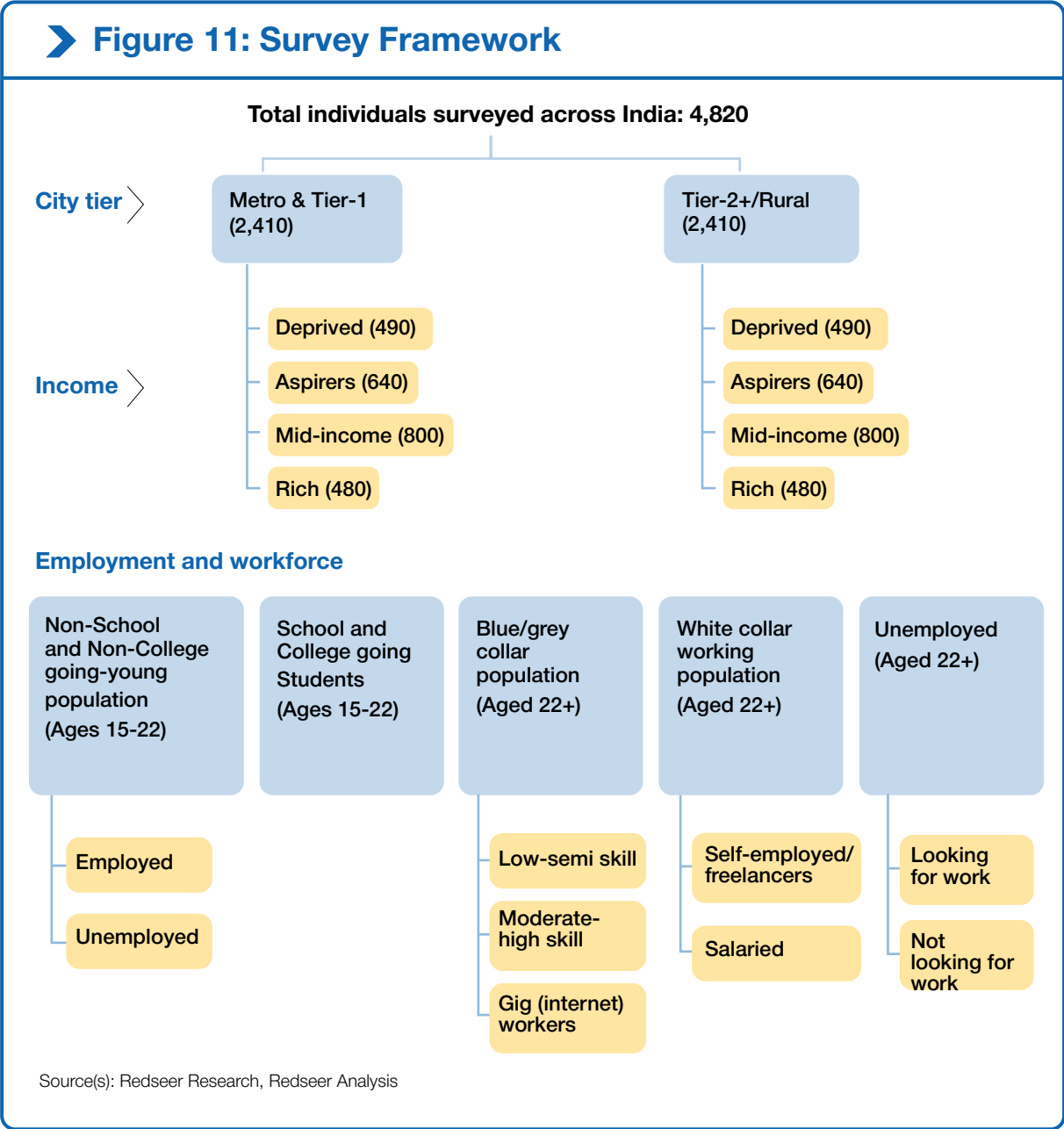
Based on select intersectional filters, we then divided the 580 million workforce into eight personas in order to channelise avenues of skilling and employment opportunities.

1. Hesitant Aspirer (~45 Mn): High school graduates belonging to the aspirer/mid-income segments, females below the age of 30 living in urban areas and unemployed currently are selected for this persona.

2. Home Based Entrepreneur (~30 Mn): With education below grade 12 belonging to the aspirer/mid-income segments, females below the age of 30 living in rural/semi-urban areas and unemployed currently are selected for this persona.

3. Skilled Aspirers (~25 Mn): Moderate-high skilled blue collar workers (both employed and temporarily unemployed) under the age of 30 consisting of both male and females with education above grade 12 are selected for our analysis. The Skilled Aspirers usually belong to aspirer/mid-income segments.

➤ **Figure 11: Survey Framework**



4. Tenacious Striver (~80 Mn): With Low-semi skilled blue collared occupational criteria (both employed and temporarily unemployed) under the age of 30, both male and females are selected for this persona. Tenacious Strivers are usually educated below grade 12 and belong to deprived/aspirer income segments.

5. Stability Seeker (~50 Mn): Unemployed and gig worker males below the age of 30 with education above grade 12 are selected. Stability Seekers belong to the aspirer/mid-income segment.

6. Homemaker (~230 Mn): These are split into two categories.

a. Above 30 years of age (~195 Mn): With education below grade 12 belonging to the aspirer/mid-income segments, females above the age of 30 living in both urban and semi-urban/rural areas and unemployed currently are selected for this persona.

b. Below 30 years of age (~25 Mn): With education below grade 12 belonging to the aspirer/mid-income segments, females below the age of 30 living in both urban and semi-urban/rural areas and unemployed currently are selected for this persona.

7. Not in the Workforce (~45 Mn): Unemployed males above the age of 15 with education below grade 12 are selected. They also belong to the aspirer/mid-income segment.

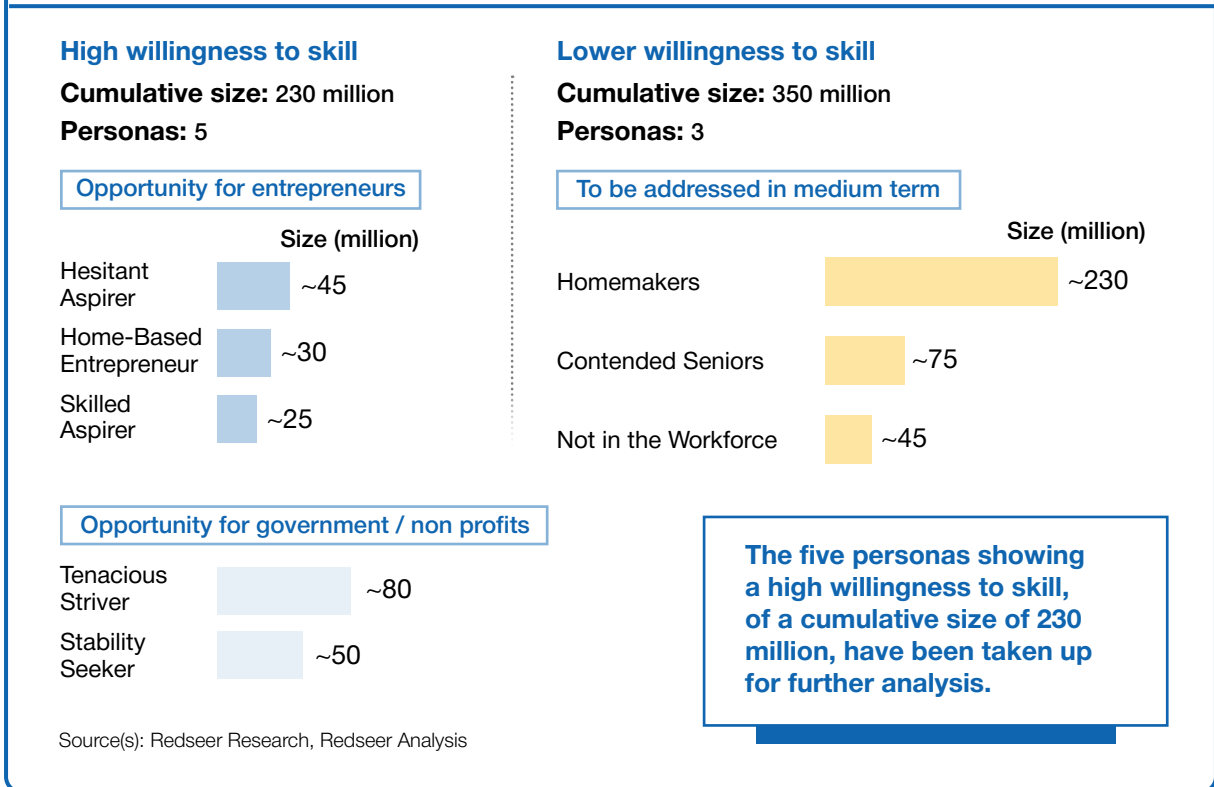
8. Contented Senior (~75 Mn): Males and females with low-semi skilled and moderate-high skilled blue collared occupational background (both employed and temporarily unemployed) and older than 30 years are selected. Ranging from deprived to mid-income backgrounds, the persona also mirrors Skilled Aspirers and Tenacious Striver personas.



Using the intersections of location, gender and income, we divide these 580 million into eight personas.

Basis the personas' willingness to get skilled, the report identifies a ~230 million-strong group (comprising Hesitant Aspirer, Home Based Entrepreneur, Skilled Aspirers, Tenacious Strivers and Stability Seeker) in India that can be targeted for skilling and employability development. Solutions for three of the five personas, namely Hesitant Aspirer, Home based Entrepreneur and Skilled Aspirers can be provided by entrepreneurs; these three personas together represent a market opportunity for skilling companies of USD 1.5-2.0 billion. Skilling solutions for Tenacious Strivers and Stability Seekers can be provided by a combination of government and non-profit organisations.

➤ Figure 12: 230 million individuals have a high willingness to skill



On the other hand, the ~350 million people comprising of Homemakers (~230 Mn), Contented Seniors (~75 Mn) and those Not in the Workforce (~45 Mn) who demonstrated lower willingness to skill (23%, 19% and 11% respectively) will require government and non-profit support including in life skills, and are beyond the scope of this report.

It is both a monumental challenge, and an exciting opportunity.



Chapter 2

Persona Deep Dive and Prioritisation



India's job-seekers are not a monolith. To design tailored solutions through a more granular understanding of the segments, the 428 million unemployed, 154 million blue/grey collared workers, and 19 million temporarily unemployed workers can be divided into 8 personas based on their household incomes (deprived, aspirers or middle income), and their type of employment (unemployed, self-employed and salaried). Using these axes, we identified eight distinct personas.

➤ **Figure 13: 8 key personas emerging from our study**



Persona	Size (in million)	Prominent Occupation
Opportunity for entrepreneurs		
Hesitant Aspirer	45	Unemployed
Home Based Entrepreneur	30	Home boutique/parlour, home made products selling, unemployed
Skilled Aspirer	25	Electrician, Plumber, Salaried Beautician, Salaried Tailor, Machine Operator etc.
Opportunity for government / non profits		
Tenacious Striver	80	Factory/Construction Worker, Street Vendor, Vegetable Vendor, Sweeper etc.
Stability Seeker	50	Unemployed/Gig (low-semi skill)
To be addressed in medium term		
Homemaker	230	Unemployed
Contented Seniors	75	Aged security guard, aged supermarket cashier, aged electrician, aged daily maid, etc.
Not in the Workforce	45	Unemployed

Source(s): Redseer Research, Redseer Analysis

Sai Lakshmi (28) has a B.Com degree, but she hasn't yet had the chance to put it to work.

A resident of Bengaluru, she got married soon after she graduated, and a job was off the table. Her husband works in a private firm, and their two-year-old fills her days. As he grows, her thoughts turn to work. But what would this work look like, and how can she pull it off alongside her family responsibilities?

Sai Lakshmi often turns to YouTube and Reels for new recipes and DIY videos, and occasionally tries them out herself. She also used YouTube to learn makeup skills, and thinks this could hold the key to future work. If she found good Kannada content, she would spend 1-2 hours a day in the future to upskill herself.

Persona 1: Hesitant Aspirer

Size: ~45 million

Profile: Females <30 years of age living in urban areas and are currently unemployed. They are educated (have a high school degree) but haven't been able to put their education to use due to family restrictions and their limited need to earn. However, they are ambitious and are open to work.

> Who they are

The majority of India's non-working women are not non-workers—they simply work at home where their labour is not quantified. Turning part of this hesitant persona into workers of the future could prove to be a challenging yet fulfilling endeavour.

Hesitant aspirers, our research finds, are currently unemployed, do not have a pressing need to earn money thanks to the financial cushion provided by the family but have the willingness to earn and become independent. Comprising 45 million people, this segment has people aged 15 and above who are high school graduates, and belong to the aspirer or mid-income categories of household income.

> What jobs would they like to progress to?

Among those who do work at the moment, the lack of adequate financial compensation (56%) and delays in payments (56%) are key challenges, followed by the absence of growth opportunities (37%). What they would like is a white-collar job with better salaries and stability (35%) or starting their own businesses (18%). The desire for a stable job is particularly high among those in the mid-income group (59%).

> The skilling opportunity

Both the awareness of skilling platforms as well as the willingness to upskill is relatively low for this persona, a reflection of the years many of them have spent outside of the workforce, some distance from networks and knowledge around upskilling. But with the right nudge, some might take the first steps towards upskilling.

A third each of aspirer (37%) and mid-income (36%) Hesitant Aspirers are aware of some skilling platform, and a significant share (29% of individuals from the aspirer income segment and 41% from the mid-income group) express openness to training and development, indicating a favourable attitude towards acquiring new skills.

Persona 2: Home Based Entrepreneur

Size: ~30 million

Profile: A largely female persona <30 years of age have or would like to start an at-home business to get some additional income for their households. Of the segment within this persona that is working is occupied in occupations such as at-home beautician, at-home tailor, etc.

› Who they are

While the majority of working age women in India are not part of the paid workforce, many of those who do paid work, prefer to work within or near their homes. In our survey, Home Based Entrepreneurs contribute to their family's financial stability by working on an entrepreneurial initiative from their homes while managing household duties alongside. Most (72%) work for themselves, while some (16%) have permanent employment, or are earning daily wages (9%). Now aged between 15-30, most have studied no more than high school and belong to either the aspirer or mid-income category. From their homes, they run home boutiques, beauty parlours, and sell homemade products.

› What jobs would they like to progress to?

In their current professions, the top three challenges they face at work are a lack of growth (39%), poor financial compensation (36%), and a lack of job security (31%). Home Based Entrepreneurs from the aspirers and mid-income segments face different workplace challenges. For aspirers, job security is the most significant concern (43%) while mid-income Home Based Entrepreneurs are more concerned with growth (44%).

A large share (42%) of Home Based Entrepreneurs expressed a desire to expand their own business, while a third (35%) indicated a preference for government jobs.

› The skilling opportunity

About half of the Home Based Entrepreneurs (50%) had prior training experience, with the largest share (41%) of them receiving training from family and a quarter of them having received training offline from their past employers.

However, the awareness of skilling platforms is currently low (39%). Like Momi, over 44% of Home Based Entrepreneurs are willing to skill, and particularly among mid-income Home Based Entrepreneurs, there is a willingness to pay to upskill. Younger Home Based Entrepreneurs are more likely to have received skilling and more likely to be willing to upskill but older Home Based Entrepreneurs are more willing to pay.

Momi Das, aged 30, runs a beauty parlour with two employees on the ground floor of her house in Majir Gaon, Assam. Momi couldn't study past Class X, but had an interest in learning the trade and signed up for a training course in 2010 (for which she paid Rs 6,000). Two years later, she trained with another beauty parlour and later the same year started her own parlour.

Today, Momi earns ₹3.5 lakh annually, an income that is high by her village's standards, and contributes to nearly half of her family's income. But she has set her sights even higher.

Momi is interested in setting up more beauty salons in different regions, but is mindful of her family responsibilities. Her friends forward her skin care tutorials on social media platforms forwarded to her by her friends and every week, Momi visits the trainer from whom she took her initial training. For a good online course, Momi would shell out ₹5,000- ₹6000 and for a good offline course, she would spend as much as ₹10,000.

Rohit Sahu works as a clerk in an automobile service centre. Rohit isn't enamoured of a formal education—he feels that his employment had much to do with referrals and less with his undergraduate degree. Vocational skilling, he believes, would help him succeed in his career more than higher education.

Rohit began with a part-time job at the service centre six months ago while he prepared for exams for a government job, but now works as a full time clerk. He is willing to upskill himself in mechanics to get a better role in the same company, and wants to learn to use a computer and website designing. (But he hasn't given up on the dream of a government job either, and wants to continue to prepare for his exams.) For proper training in computer as well as coaching for exams, Rohit is willing to pay ₹700 per month.

Persona 3: Skilled Aspirers

Size: ~25 million

Profile: Occupied in a moderate-high skilled blue/grey collar role (electricians, beauticians, plumbers, technicians, machine operators, etc.) and are <30 years of age (both males and females).

> Who they are

The Skilled Aspirers are those mostly employed in a contractual or non-permanent job such as electricians, plumbers, salaried beauticians, tailors and machine operators. They have learned the skills they need for their job by shadowing a senior and are willing to switch for better opportunities in their current field of work. With a high school or graduate degree, workers in this persona are usually aged between 15 to 30 years and belong to the aspirer or mid-income categories of household income.

> What jobs would they like to progress to?

Career 'aspirations' are in part the result of complex decision-making that includes gendered norms. While 48% of male skilled workers consider growth as their primary challenge at the workplace (as compared to 43% of women), 52% of female skilled workers consider job stability as the main challenge (as compared to 35% of men). As a result, female skilled workers prioritise job security when making career choices, whereas male skilled workers prioritise growth. A significant number of the Skilled Aspirers express an interest in starting their own business, but there is a gender difference in terms of career aspirations. Male Skilled Aspirers workers are more likely to pursue entrepreneurship (with 45% expressing a desire to start their own business while 24% of female Skilled Aspirers workers want to do the same). On the other hand, female Skilled Aspirers workers are more inclined to progress in their current jobs (with 33% preferring this option, while 20% of male Skilled Aspirers workers choose the same path).

> The skilling opportunity

Like Rohit, The Skilled Aspirers have received some training, but they are ready to add more skills, and willing to make some sacrifices to pay for it, even if the amounts are modest. Among the Skilled Aspirers, nearly 40% had undergone prior training, of which almost half (49%) received instruction offline from their employer. The Skilled Aspirers from metros are more likely to have undergone training than the Skilled Aspirers from tier-1 and tier-2 cities. (Around 68% of the Skilled Aspirers from the metro cities, 47% of the Skilled Aspirers from tier-1 cities and 17% of the Skilled Aspirers from tier-2 cities have undergone some sort of training earlier.) Despite having relatively low awareness of skilling platforms—particularly in Tier II and III cities—their willingness to skill and pay are relatively high.

Persona 4: Tenacious Striver

Size: ~80 million

Profile: Occupied in a low-semi skilled blue/grey collar role (security guards, house helps, street cleaners, sweepers, construction labourers, factory labourers, etc.) and are <30 years of age (both males and females).

➤ Who they are

Aged 15-30 years, this segment comprises early high school dropouts, who belong to the deprived or aspirer class. With nearly 30% of them being contractual workers, they also switch jobs frequently to earn as much as possible. This persona comprises factory workers, construction workers, and street vendors.

➤ What jobs would they like to progress to?

Most Tenacious Strivers are currently either self-employed or unorganised contractual employees (28% of Tenacious Strivers from deprived income segments are self-employed, while 33% of those from aspirer income segments are unorganised contractual employees). As a result, Tenacious Strivers from deprived income segments are more concerned with job security (39%) and growth (35%), while those from aspirer income segments are more concerned with job security (59%) and safety at the workplace (52%).

Nearly a third (32%) of Tenacious Strivers from deprived income segments would prefer to start their own business with an equal (32%) wanting to progress in their current jobs, while both proportions are higher among those Tenacious Strivers who are better off (56% each).

➤ The skilling opportunity

More than half (53%) of Tenacious Strivers have undergone prior training, of which equal shares (41%) received on-the-job instruction from their employers and received training from their family. While Tenacious Strivers are willing to upskill, those from deprived income segments are more willing to upskill and train (58%) than those from aspirer income segments (38%). However, the ability to pay for skilling is limited in this struggling segment (only 24% of deprived and 46% of aspirer income segments were willing to pay for skilling).

Hirok is a 25-year-old from Shillong. Hirok completed his education up to Grade 8 but dropped out due to a lack of interest and repeated failures, and has no interest in further studies. Since the last five years, Hirok has been working as a supervisor for his uncle, who is a contractor in the construction business; he supervises a team of 10-15 workers, and when necessary, he also does manual labour.

Hirok would like to acquire new skills that would allow him to work in a less physically intensive environment. But despite using his smartphone for payments and watching YouTube videos, he admits to being unfamiliar with online job portals and has limited understanding of such platforms. He also finds it difficult to save enough from his current job to pursue upskilling courses.

Amit is a 23-year-old food delivery agent with Zomato in Jabalpur, Madhya Pradesh. After his friend got involved in the profession, Amit became interested in becoming a food delivery agent.

In his early days on the job, Amit found it tricky and needed guidance including app-based training—it was after all his first job. Now he can work independently and enjoys the flexibility that comes with the job, starting and ending his shift whenever he wants and taking time off when he wants. He makes anywhere between ₹3,000 to ₹5,000 per week.

But he knows this can't last long. The job is physically demanding and the long hours of driving give him bodyaches. He worries the vehicles the company provides aren't safe enough either. And he has a dream.

Amit wants to start his own restaurant. He is willing to spend one hour every day and ₹500-600 per month on a good course that will help him in starting his restaurant. He'd like to fund his business using his own savings and not ask his parents for financial help. He is willing to continue working as a food delivery agent part-time while skilling himself for his future business.

Persona 5: Stability Seekers

Size: ~50 million

Profile: These are males <30 years of age living in urban areas and are currently either unemployed or employed in a gig role (which they consider transitory in nature). They are educated (high school degree) and have a financial cushion which drives their need for stable jobs with limited manual labour.

> Who they are

People in this persona are high school graduates and are from the aspirer or mid-income backgrounds, and lack relevant skills for such jobs. Some are already doing work in the gig economy. In 2022, the estimated number of internet-based gig workers in India was roughly 5 million. The retail trade and sales sector employs the most gig workers, followed by the transportation sector, manufacturing and the finance and insurance activities sector.

> What jobs would they like to progress to?

Among the Stability Seekers, the lack of adequate financial compensation was identified as the top workplace challenge (51%) followed by a lack of job security (43%) while workplace safety was also important (28%). Most (49%) wanted to advance in their current occupations, while fewer than 38% expressed a strong desire to establish their own enterprises.

> The skilling opportunity

While the proportion of Stability Seekers who have had some sort of skilling in the past varies depending on their education background, awareness of skilling platforms is low across all education levels. Only one-fifth (20%) of those with a primary education background and a quarter of those with a secondary education background are aware of some form of skilling platform. Stability Seekers' willingness to pay for skilling is also mediated by educational background—only one-third (33%) express a willingness to skill, and few (5%) express a willingness to pay for skilling among those with a primary education background. On the other hand, Stability Seekers with a senior secondary education background display a higher (42%) willingness to skill, and nearly a third (31%) expressed a willingness to pay for skilling.

Persona 6: Homemaker

Size: ~230 million

Profile: These are females primarily above the age of 30 living in either urban or rural areas. They are unemployed and are fully occupied in household chores. They belong to the aspirer or mid-income category and are unlikely to seek employment.

› Who they are

The largest single group in our analysis are Homemakers, comprising approximately 230 million unemployed women. These women are primarily aged 30 and above and belong to the aspirer or mid-income category. They are either high school graduates or dropouts who have been primarily engaged in household chores or are school dropouts.

› Reasons for exclusion from analysis

Fewer than half want to pursue a white-collar job, and only 23% are willing to acquire new skills.



Contented Seniors, Homemakers and those Not in the Workforce will need specialised support from the government and non-profits to be able to enter the workforce.

Persona 7: Contented Senior

Size: ~75 million

Profile: Blue/Grey collar workers above the age of 30 with limited willingness to skill. They are occupied as security guards, electricians, house helps, beauticians, plumbers, street cleaners, sweepers, etc. and their education and income levels can hugely vary depending on their skill levels

› Who they are

At ~75 million people, Contented Seniors work in low-semi or moderate-high skilled blue/grey collar jobs, which they want to hold on to so that they can maintain their current cash flow and provide for their children. They are usually aged 30 and above and are unlikely to switch jobs. This persona has studied up to the high school level, and comes from a range of household income segments.

› Reasons for exclusion from analysis

The study did not deep dive into the persona since they exhibited low willingness to skill; only around 23% of the respondents were willing to skill.

Given the very low willingness to skill, a lot more upstream work needs to be done to build agency and motivate these groups. This could be best done by non-profits with a deep presence on ground and government by creating enabling policies. Bringing them into the workforce is likely to be a relatively longer-horizon endeavour.

Persona 8: Not In the Workforce

Size: ~45 million

Profile: Unemployed males above 15 years living in urban areas and have dropped out before completing high-school. They have a perceived financial cushion which reduces their keenness to earn eventually resulting in their low motivation to work.

➤ Who they are

These ~45 million individuals are unemployed. Usually Class XII dropouts, they usually have the financial cushion of parental income or rental income. They are usually from aspirer and mid-income segments. They have the lowest willingness to skill across all segments,

➤ Reasons for exclusion from analysis

Only 19% of the respondents demonstrated willingness to skill, and hence have not been considered for the study.

➤ Skilling and employability for the workforce of the future

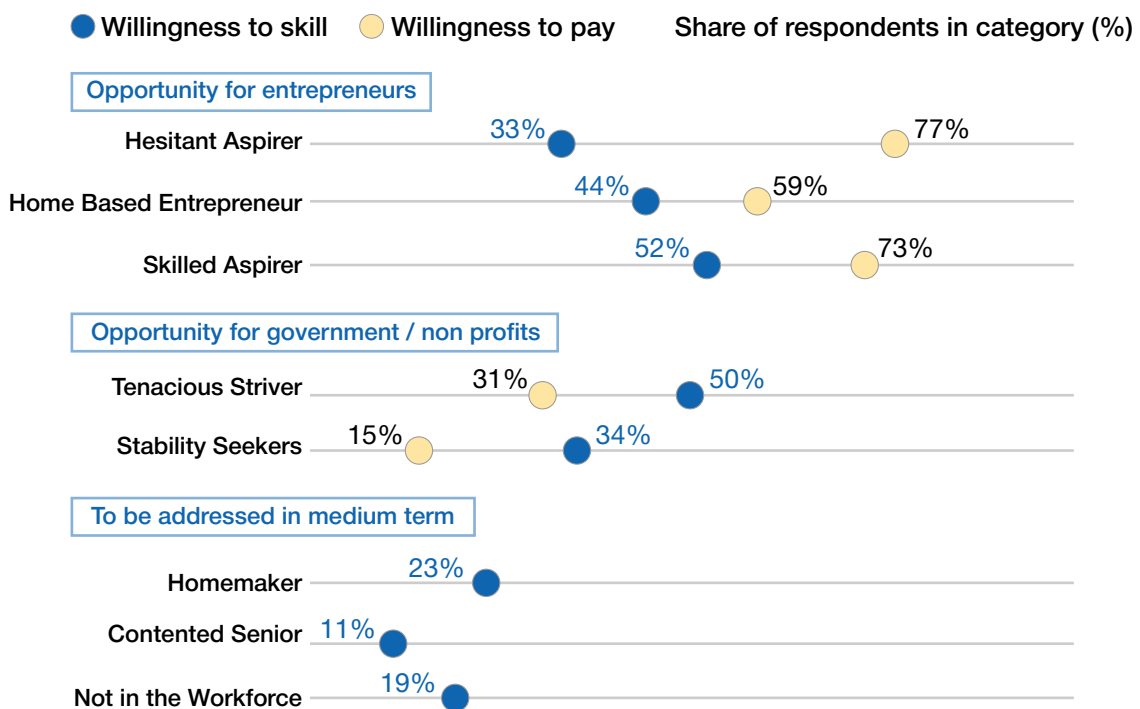
What would it take to develop workable skilling and employment solutions for these personas? The potential impact of skilling and upskilling initiatives in different personas of individuals varies. Our research shows that five of these eight personas, representing ~230 million people, are willing to upskill and switch jobs in search of great compensation, stability and growth; this includes the Hesitant Aspirer (~45 Mn), Home Based Entrepreneur (~30 Mn), Skilled Aspirers (~25 Mn), Tenacious Striver (~80 Mn) and Stability Seeker (~50 Mn).

According to our survey data, there is a high willingness to pay for skilling among the Hesitant Aspirers (77% are willing to pay to upskill), Home Based Entrepreneurs (59%) and Skilled Aspirers (73%) personas, which collectively represent a market of 100 million people.

By examining the size of the persona, willingness to skill and pay, and the average ticket size of the course, our research indicates that there is an opportunity for entrepreneurs to tap into this demand and create an immediate opportunity worth approximately USD 1.5 to 2.0 billion.

In the employability space, there are large opportunities to build profitable businesses. Globally, companies like Work Rise / JobAndTalent (which

➤ **Figure 14: Awareness and willing to skill by persona**



Note(s): Awareness limited to white-collar skilling platforms.
Source(s): Redseer Research, Redseer Analysis

have multi billion dollar valuations) have built successful at-scale models; they could provide useful direction to build large and valuable job and staffing platforms for India's non-white collar workforce.

85 million Tenacious Strivers who primarily belong to the deprived strata lack the ability to pay for skilling and employability support, while 55 million Stability Seekers have low willingness to pay for skilling. This indicates that NGOs and Government agencies have an opportunity to impact these personas and potentially reach 130 million people.

On the other hand, the ~350 million people comprising of Homemakers (~230 Mn), Contented Seniors (~75 Mn) and those Not in the Workforce (~45 Mn) who demonstrated lower willingness to skill (23%, 11% and 19% respectively) were excluded from the detailed analysis.

Each of these three personas require a different approach if we need to bring them into the workforce. The ones who are Not in the Workforce category, are typically from a lower / lower middle income background with little 'real' financial cushion. Non-profits and governments could focus on life skills education for the individuals in this persona to motivate them and build their aspirations.

For the Contented Seniors persona, there is a need to formalise their employment and access to higher earning opportunities.



There is a high willingness to pay for skilling among the Hesitant Aspirers (77%), Skilled Aspirers (73%) Home Based Entrepreneurs (59%).



Government initiatives across the country are experimenting with ways to support women in the workforce and blue/ grey collar workers.

For the Homemakers segment, a key barrier to entering the workforce is lack of support at home, availability of relevant and convenient work opportunities. There is a need to build on existing government schemes, along the lines of suggestions made by Niti Ayog²⁵ which includes promotion of skill development for women, promoting women entrepreneurship etc.

There is already much dynamism in this space, with governments across the country devising schemes that support blue or grey collared workers and women

1. Cash transfers to women: Under its Ladli Behna Yojana, the government of Madhya Pradesh in 2023 started an initiative to bring women under the ambit of a formal financial network by providing a monthly amount of ₹1,000 to all married women of the state between the age of 23 and 60²⁶. These transfers would help women in starting small home-based businesses from their homes while financially empowering them, making them independent. The state government of Tamil Nadu has also announced a cash transfer scheme called the Kalaingar Magalir Urimai Thogai to all eligible women starting from September 2023, with all eligible women receiving a monthly assistance of ₹1,000²⁷.

2. Mobility Subsidisation: Social norms and gendered mobility barriers can often constrain women from taking paid work outside the house. Given the cost of commuting, mobility subsidisation schemes aimed at reducing the cost of commute for women can encourage them to enter the workforce. The Zero-Ticket Bus Travel (ZTBT) launched by the government of Tamil Nadu in 2021 provides free travel on government-run city buses to all women in Tamil Nadu. Apart from working women, the scheme also immensely helps street vendors especially in cities as they travel to buy vegetables and fruits from wholesale markets and sell in their respective areas²⁸. Similarly, the Shakti scheme initiated by the government of Karnataka in 2023 allows women domiciled in Karnataka to travel for free on non-premium buses plying within the state²⁹. The government of Delhi had also started a similar initiative in 2019 wherein women are given a pink ticket worth 10 for free-travel in buses³⁰.

3. Subsidised Child Care: By providing subsidised child care, mothers working in blue/grey collar jobs can save money and time on child care that would otherwise impact their working hours. The Koosina Mane creches introduced by the government of Karnataka in 2023 provides creche facilities for children of young mothers who work under the Mahatma Gandhi National Rural Employment Guarantee Act

25 <https://www.niti.gov.in/empowerment-women-through-education-skilling-micro-financing>

26 Madhya Pradesh's Ladli Behna Yojana: A financial push to empower women, India Today, June 2023

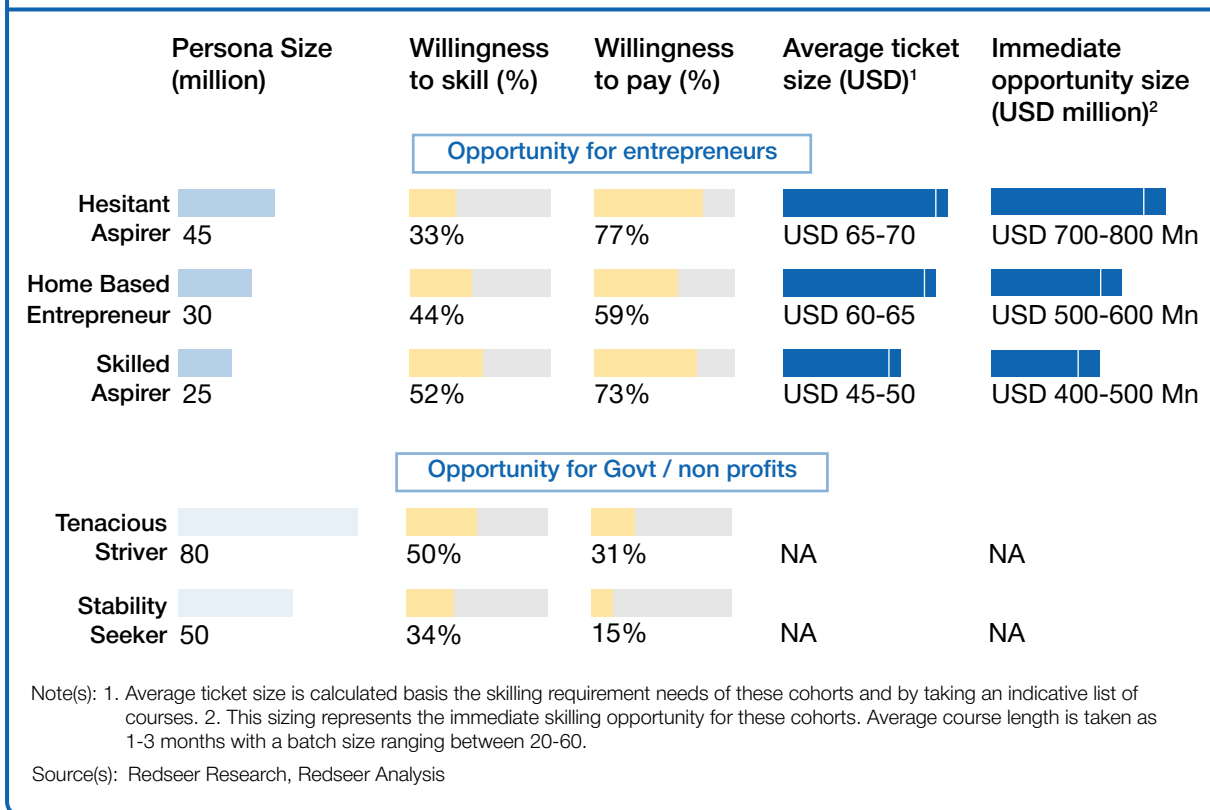
27 TN to conduct special camps to enroll beneficiaries for cash transfer scheme, Deccan Herald, July 2023

28 Zero-Ticket Bus Travel Scheme for Women-I; State Planning Commission, June 2022

29 Karnataka's Shakti Scheme: Women won't need smart cards for months, Deccan Herald, August 2023

30 Free bus rides for women in Delhi from Tuesday as AAP government scheme kicks off, Business Standard, December 2019

➤ **Figure 15: USD 1.5-2.0 Bn immediate skilling opportunity available to entrepreneurs**



(MGNREGA) across the state with more than 4000 creches set to be open in the same year³¹.

4. Food Assistance: Expanding food assistance for preschoolers and school going kids would not only ensure nutrition, but also frees up women’s time for paid work. The Tamil Nadu government’s morning breakfast scheme at government schools provides nutritious hot breakfast to students from grades I to V across the state³².

5. Social Security covers: Social security covers for select blue/ grey collar segments would ensure financial and health security for the workers, reducing the spillovers from the threat of job security/ stability. The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 aims at providing social security to gig workers by establishing a welfare fee deduction mechanism that shall be integrated with the aggregator application³³.

31 4000 creches for kids of MGNREGA workers, The New Indian Express, July 2023

32 Tamil Nadu launches breakfast scheme for students at government schools, Deccan Herald, September 2022

33 Gig Workers’ First Major Victory in India: Rajasthan Leads the Way, The Wire, July 2023

Chapter 3

Persona Needs and Required Interventions

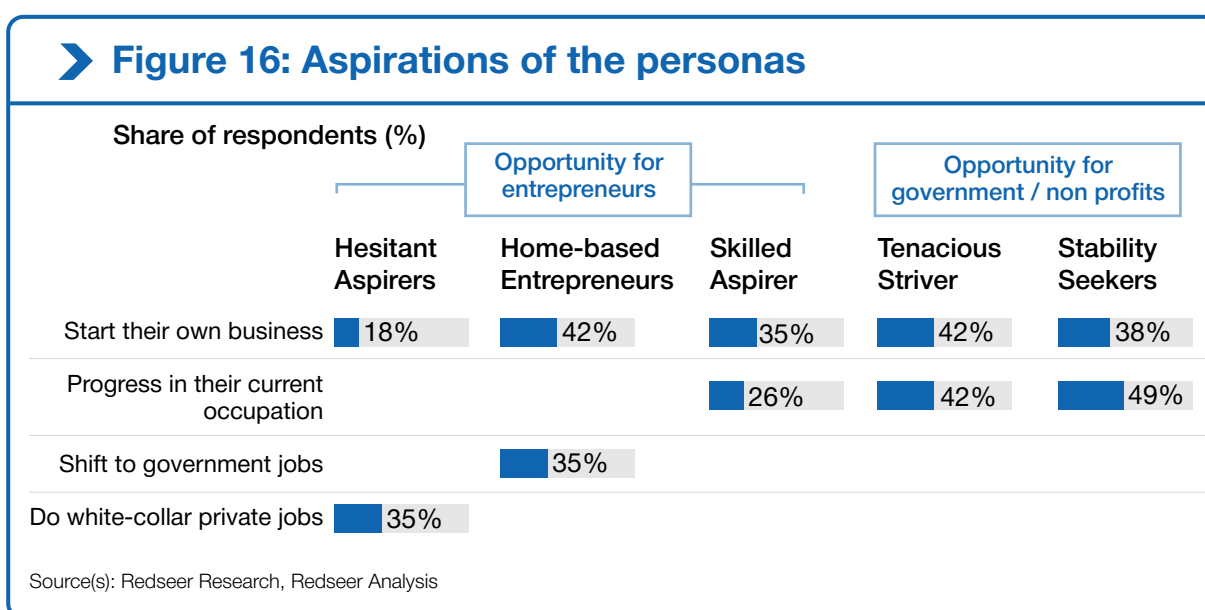


➤ The skilling and employability opportunity

How can these ~230 million people be equipped for the jobs of the future?

The desire to rise above their current positions cuts across boundaries of gender, income and occupation. When asked about their top aspirations, the desire to start their own businesses, rise in their current occupations or move to white-collar jobs dominated to different degrees.

➤ **Figure 16: Aspirations of the personas**



Yet, three significant challenges stand in the way of those who would like to rise above their current positions.

For one, restrictions on mobility limit the skilling and employability prospects of job-seekers, particularly women³⁴. Women are more likely to be dependent on public transportation or male members of their family for training or work-related travel, thus curtailing their independence and the time they have available for learning or working. As a result, women like Sweetly Das³⁵ tend to prefer jobs within the proximity of their homes, or those that do not require significant travel³⁶.

Another key challenge is the absence of relevant degrees; job-seekers find that this lack of qualification debars them from appearing for the competitive exams that would open the doors to white-collar government jobs.

³⁴ 'Toolkit for Enabling Gender Responsive Urban Mobility and Public Spaces, India, Volume I, World Bank, 2022'

³⁵ Redseer Survey and IDIs #

³⁶ Creating a Gender-Equitable Workforce in India, FSG, 2022

Finally, many job-seekers perceive establishing their own enterprise as a means of achieving job security and career stability, both of which are crucial aspirations for them. However, despite being entrepreneurial in spirit, these young people are unable to start their own businesses on account of a range of factors including a lack of access to capital.

➤ **Skilling and employment support**

The following section comes up with actionable findings for each persona. Additionally, across the Indian job market, there are impressive and inspiring examples of entrepreneurs and non-profits emerging to contribute to skilling and employability solutions, and the lessons from their experiences can contribute to the strengthening of the solution efforts.

➤ **1. Hesitant Aspirer**

Hesitant Aspirers are unemployed women who want to work but are unable to do so because of social norms. By entering the job market, the Hesitant Aspirers seek to gain financial independence while moving beyond the constraints of social/societal norms. Some potential career enhancement roles would include data entry operator, digital marketing and tele calling. They can receive formal training in soft skills such as language and computer-based skills that are relevant to their potential job. Additionally, they can be given financial assistance to purchase the necessary technology, introduced to potential employers, and provided with support to start their own freelance business. An unemployed woman who is willing to work but is limited in mobility due to family restrictions could work as a data entry operator or in digital marketing to ensure her financial independence.

The Problem

The main challenge facing the Hesitant Aspirers is that of family restrictions that prevent them from working and limit their mobility.

The Solution

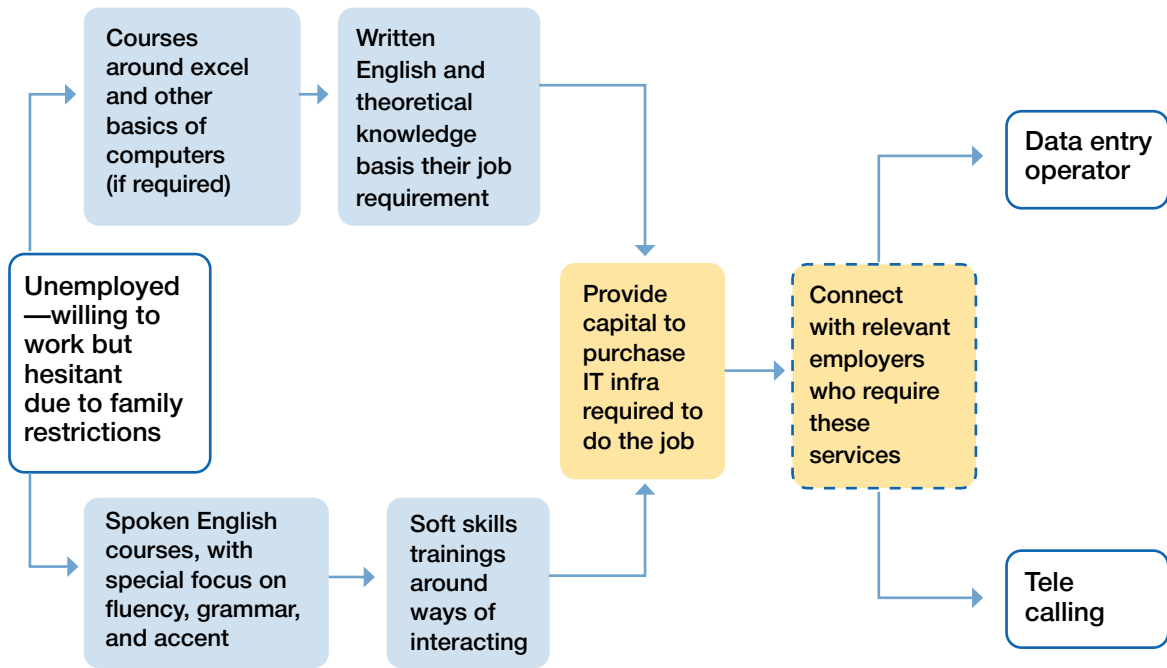
Homebound women have limited social interaction; it is important to improve their language and interaction skills. Spoken English courses with special focus on accent, fluency and grammar along with soft-skill courses around ways of interacting would prepare them for tele-calling job roles.

Educated women who have completed their high school or graduation can enrol for courses on excel and other computer skills in addition to their existing written English and theoretical skills. This would help them appear for computer-based jobs like data entry operators.

➤ Figure 17: Illustrative pathways for Hesitant Aspirers¹

End-to-end skilling will be required to make this persona employable to enter the workforce

■ Skilling support ■ Employment generation support □ Critical support



Note(s): 1. Illustrative role to give an example of potential skilling and employability support that'll be required by this persona
Source(s): Redseer Research, Redseer Analysis

These jobs can also be performed from their houses; Hesitant Aspirers can be provided with capital to purchase relevant equipment for these roles. Companies like Voiz would then help them connect with relevant employers who require such services. **Voiz** is a third-party service provider for enterprises, specialising in remote work. The company primarily employs women from Tier-2 and Tier-3+ cities.

Voiz offers various remote work opportunities for women, including full-time positions and one-time work lasting between 1-3 months. These flexible work arrangements have enabled women to work from home and balance their personal and professional lives.

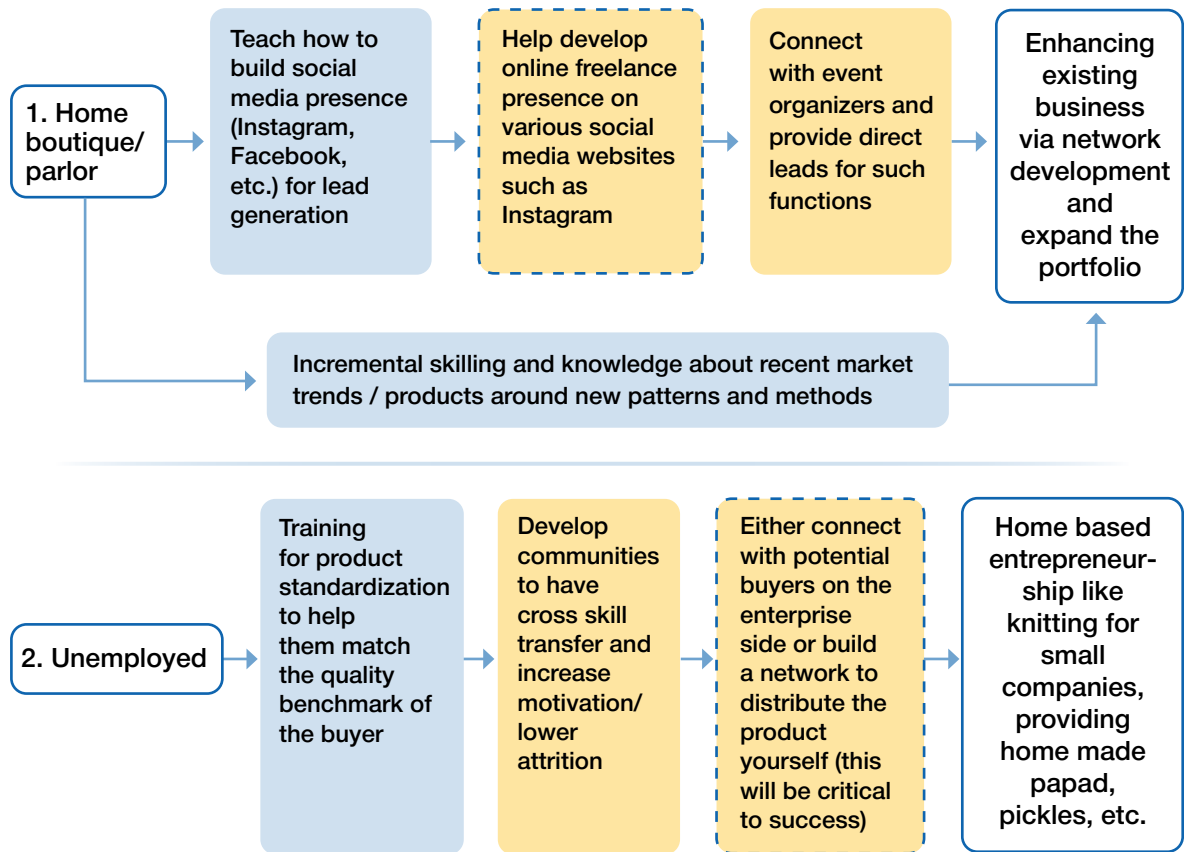
➤ 2. Home Based Entrepreneur

A significant portion of the workforce consists of Home Based Entrepreneurs, predominantly women who manage household responsibilities while pursuing entrepreneurial ventures from their homes. This group comprises approximately ~30 million individuals and demonstrates a high willingness (59%) to invest in skilling. Moreover,

➤ Figure 18: Illustrative pathways for Home based Entrepreneurs¹

Helping this persona develop social media presence and connecting them to potential buyers should be a focus area

■ Skilling support ■ Employment generation support □ Critical support



Note(s): 1. Illustrative role to give an example of potential skilling and employability support that'll be required by this persona
Source(s): Redseer Research, Redseer Analysis

they are also keen on working outside their homes provided that their jobs have flexible hours of work. By focusing on enhancing their skills and employability, it is estimated that their productivity could unlock various skilling opportunities.

Home Based Entrepreneurs require support not only in standardising their skills but also in effectively utilising those skills economically. Entrepreneurial opportunities, such as stitching and knitting for small businesses and producing homemade ready-to-consume foods, can serve as a significant source of income for an unemployed woman in the household.

The Problem

Since most of their business happens from their houses, they are limited by social interaction in person. They might have to acquire

further management skills and knowledge about the market for their survival in business.

The Solution

For home-based boutiques or parlours, the owners can be taught on how to build social media presence for lead generation while providing incremental skilling about recent market trends/products around new patterns and methods. With increased online freelance presence, these owners can connect with event organisers and provide direct leads for events. Such expansion of their portfolio through network development would enhance the existing business.

Unemployed people who were earlier working as Home Based Entrepreneurs can undertake training courses for product standardisation to help them match the quality benchmark requirements of the buyer. They can form communities with similar entrepreneurs to promote cross-skill transfer and increase motivation. This would also help them connect with potential buyers on the enterprise side or build a strong network of distributors of the product.

Home Based Entrepreneurs having their own at-home parlour or shop can be supported by companies like Buyume which will guide them in creating their own digital presence while getting connected with the ecosystem on both demand and supply side of the market.

Buyume is a platform that helps salon and beauty professionals set-up or promote their outlets across India. With a zero investment franchise model, it requires no signing-up or monthly fees to have access to their products and services. Buyume offers free expert training, brand certification and access to videos by beauty concerns, services, products, brands, etc. Additionally, the company offers free salon software and access to own a free website that helps share menu/ website on WhatsApp, get online appointments and payments, show certificates to clients, show work/workplace photos to clients.

➤ 3. Skilled Aspirer

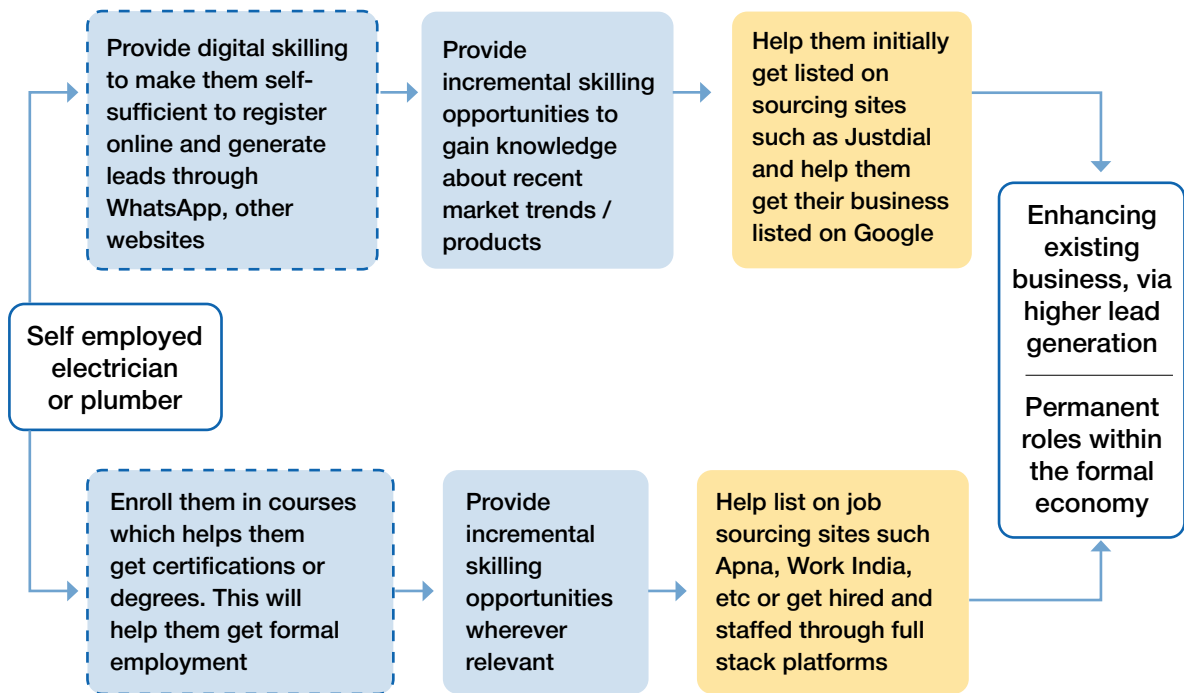
Since Skilled Aspirers are already employed, they are well-poised to transform their careers by acquiring incremental skills to enhance their incomes and expand their career opportunities. An employed beautician or tailor, for instance, could, with the right skills and employability support, pursue long-term employment opportunities, such as working as a beautician for a reputable styling chain or starting their own salon. With their strong motivation to learn and invest in their skills, focusing on formal skilling programmes while providing some support for employability can harness the potential of the Skilled Aspirers group and enhance their productivity.

Arun is an AC technician with Urban Company in Chennai and works with them during the summers while assisting his father with farming in the off-season. After completing a diploma, he decided to join Urban Company for AC servicing to earn extra money, which enabled him to purchase a bike from his earnings. Before joining Urban Company, Arun's annual income was ₹3 to 3.5 Lakhs per annum. However, since he joined Urban Company, his income has increased to ₹4 to 4.25 Lakhs per annum.

➤ **Figure 19: Illustrative pathways for Skilled Aspirers¹**

Skilling will hold the key. Courses should revolve around social media marketing and certifications to enable formal workforce entry.

■ Skilling support ■ Employment generation support □ Critical support



Note(s): 1. Illustrative role to give an example of potential skilling and employability support that'll be required by this persona
Source(s): Redseer Research, Redseer Analysis

The Problem

The challenges of the Skilled Aspirers are two-fold. Firstly, Skilled Aspirers workers like electricians/plumbers are geographically bound to their location because of their limited linguistic capabilities and their scope of work. Secondly, their informal skilling means that few have any certification to prove their competency, resulting in constrained job opportunities.

The Solution

Solving for these challenges would mean that these self-employed individuals need to create an online presence that would improve their opportunities locally or otherwise; get equipped with relevant skills by signing up for certificate programmes; and get listed on sourcing sites such as JustDial and Google while improving on incremental skills to meet growing demands. They would also benefit from credentialing of their existing skills through government initiatives like 'Recognition of Prior Learning'.

For workers with existing skill sets, a firm like **Urban Company** provides opportunities to enter the formal ecosystem by certifying their skill levels. They transition into better jobs while it opens countless

employment opportunities, for which Urban Company has online training for incremental skilling.

Urban Company uses offline skilling courses to induct new hires in Urban Company, with the course selection being based on their current skilling level. The two course options are an intensive skilling programme and a refresher skilling programme, both of which are conducted in a classroom setting. Urban Company also conducts regular online training sessions to provide incremental skilling. For further skilling, new hires can utilise their smartphones to access short online videos. Urban Company supports workers in building their personal brand by providing incentives and promotions that align with the quality of their work. Additionally, the company assists with ongoing skills development that aligns with the requirements of the worker's job role, while also providing a fundamental understanding of business.

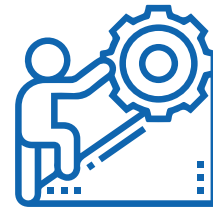
➤ 4. Tenacious Striver

The Tenacious Strivers, who number between ~80 million out of a total of 580 million individuals, constitute the second largest persona. Among them, 50% are interested in upskilling, and 31% are even willing to pay for it. Meeting this demand would unleash enormous potential. When it comes to Tenacious Strivers, business models have the potential to adopt a “Skilling plus Employment” approach. This entails providing support in terms of skill development to help individuals acquire expertise in a particular trade, followed by facilitating their employability in that trade.

Currently employed in small-scale or informal work, they can be guided towards more sophisticated and permanent roles that are less physically demanding through effective training in soft skills and certification programmes. Furthermore, providing sufficient capital support for starting their own businesses or helping them find jobs through online platforms would enhance their employability. For instance, a construction worker has the option of owning a small business, such as a tea shop, or transitioning into less physically demanding occupations, such as becoming a security guard. Such a career shift can contribute to the overall stability of the construction worker's professional life.

The Problem

Burdened with the necessity to earn, low education and job instability affects skilling affordability for Tenacious Strivers. They also struggle to shift to white-collared jobs because of their limited informal skilling/training. Self-employed Tenacious Strivers also lack necessary skills or capital to expand their business.

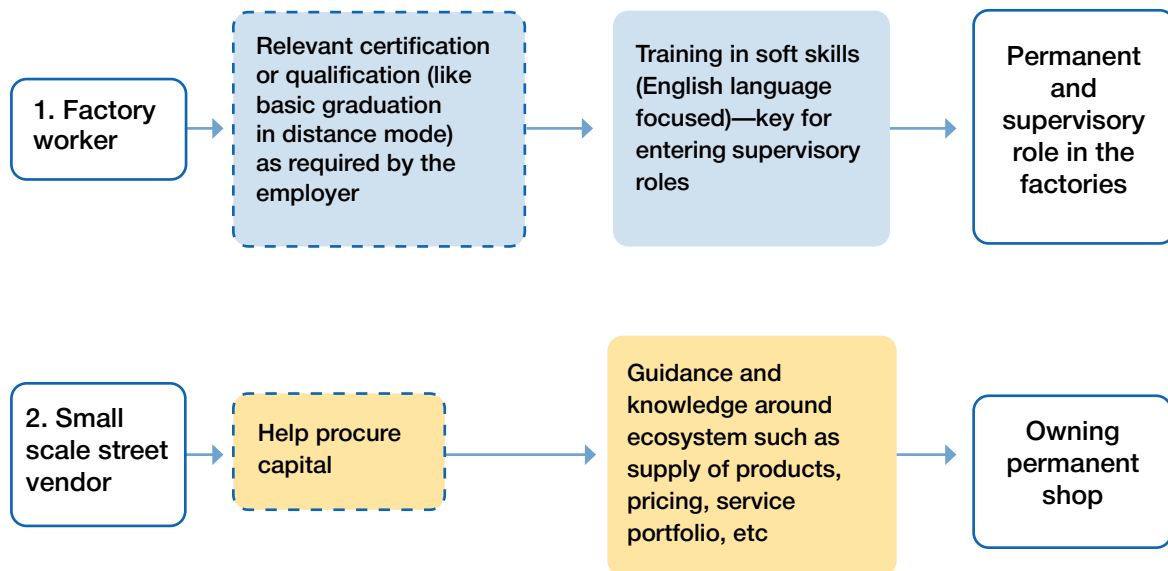


Challenges in the way of those seeking better work including mobility challenges, a lack of relevant degrees and a shortage of seed capital for businesses.

➤ Figure 20: Illustrative pathways for Tenacious Strivers¹

Employment generation is the key; initiatives to revolve around providing capital, teaching a new trade, and certifications

■ Skilling support ■ Employment generation support □ Critical support



Note(s): 1. Illustrative role to give an example of potential skilling and employability support that'll be required by this persona
Source(s): Redseer Research, Redseer Analysis

Birju Sah, a cook and beneficiary of the MUDRA loan scheme, says that he had applied for a loan at the Punjab National Bank under the PMMY scheme and he had obtained a loan of ₹50,000. With this money, he opened a sweet shop and is now earning a steady income of ₹1,000 per day.

The Solution

The solutions are two-fold:

Blue/grey collared: Relevant certification with international accreditations or graduation through distance mode as required by employer; training in soft skills with focus on English language to enter supervisory roles. This would help salaried Tenacious Strivers to achieve permanent/supervisory roles in factories.

Self-employed: To expand their business, they can be helped in procuring capital for expanding/setting up their business along with guidance and knowledge on supply of products, pricing, service portfolio, etc.

These ambitious strugglers can be supported by the government. One such example is the PM Mudra Loan Scheme which provides them small ticket loans to establish their businesses. Post that startups like Razorpay can come in and help with additional capital requirements while also providing an ecosystem/accounting connection.

The **Pradhan Mantri Mudra Yojana (PMMY)** started off in 2015 by introducing the **Micro Units Development and Refinance Agency Limited (MUDRA)** with twin goals of funding the 'underfunded' and

helping individuals set up micro businesses across the length and breadth of the country. With credit requirements less than ₹10 lakhs, the MUDRA scheme covers all income generating small businesses in manufacturing, processing, trading or service sectors. There are 3 MUDRA loan categories:

- Shishu: upto ₹50,000
- Kishor: ₹50,000 to ₹5,00,000
- Tarun: ₹5,00,000 to ₹10,00,000

MUDRA is also digitally enabled for customers; the scheme provides individuals with Mudra cards that work like Rupay debit cards, allowing for credit facility.

Our research indicates that there are well-defined models in the skilling and employability support spaces that can allow workers and potential workers develop to their full potentials.

➤ 5. Stability Seeker

Out of the total 580 million individuals, Stability Seekers constitute a significant portion of ~50 million. This group primarily consists of individuals who have dropped out of school to work or are currently unemployed, and are willing to take up jobs that are located close to their homes. However, they have the lowest willingness to skill and pay, making it challenging for them to secure better employment opportunities. While around 49% of them are willing to progress in their current occupation, about 38% are keen on starting their own businesses.

Stability Seekers could be supported by providing them with the necessary skills and nudging them towards suitable job opportunities. A gig worker with lower skill levels, such as a delivery person, can switch to a gig job that requires moderate skills, like an AC mechanic or electrician. This shift could assist their career advancement.

The Problem

Stability seekers look forward to less labour-intensive jobs, but they are also faced along with the societal pressure on them to work. They either lack the required skills or capital to transition into less labour-intensive jobs or set up their own business respectively.

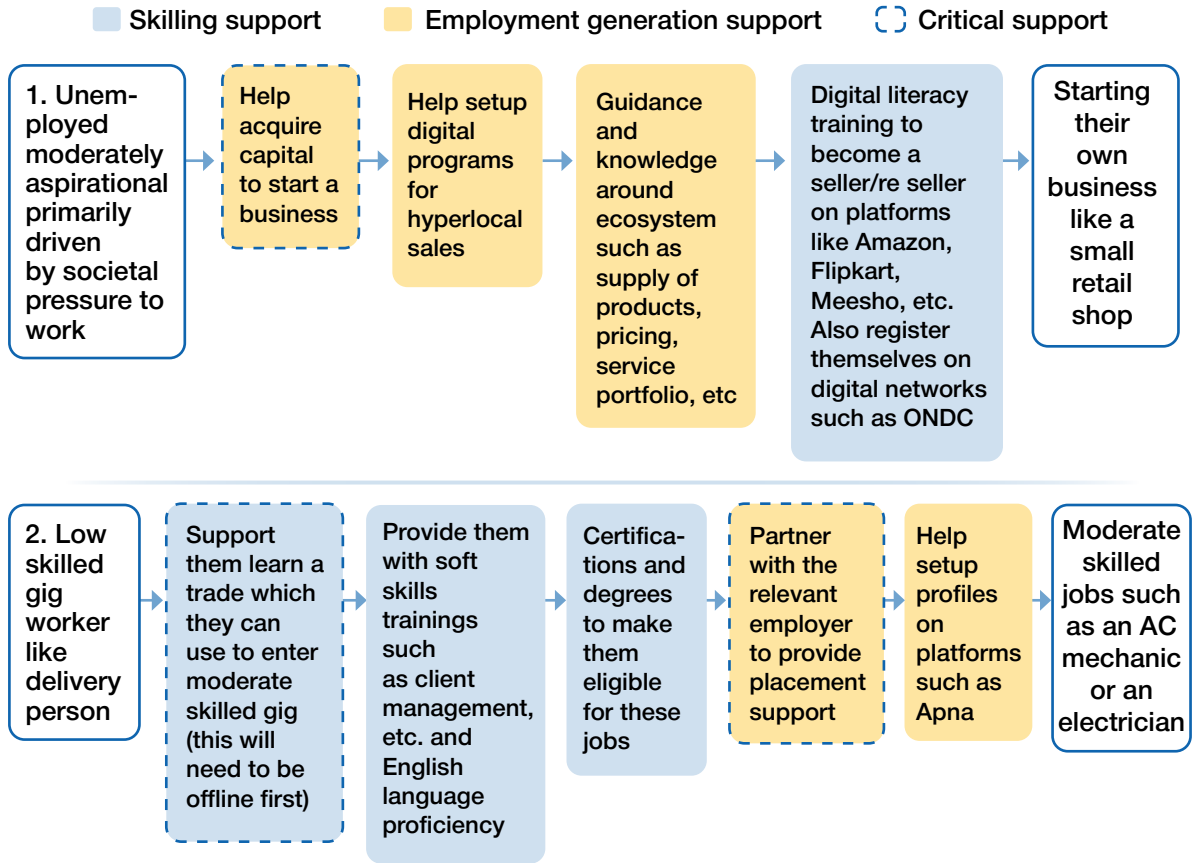
The Solution

Unemployed Stability seekers can be helped in procuring capital to start their business like retail shops or grocery stores; they can then be helped in setting up digital programmes for addressing hyperlocal sales. Additionally, this persona can also be provided with guidance and information on product supply, pricing, etc. Based on their competency and willingness to scale up, they can also be trained for

Ratna Deb, a housewife, had applied for a loan at the State Bank of India to open a confectionery store when she received ₹1,00,000 under the PMMY scheme. She says that her business has grown rapidly while she is now able to support her family with a monthly profit of ₹15,000.

➤ **Figure 21: Illustrative pathways for Stability Seekers¹**

Players will need to help them secure capital or partner with relevant employer to provide them placements



Note(s): 1. Illustrative role to give an example of potential skilling and employability support that'll be required by this persona
 Source(s): Redseer Research, Redseer Analysis

digital literacy to become a seller/re-seller on platforms like Amazon, Flipkart, etc. Moreover, they can get themselves registered on digital networks such as the Open Network for Digital Commerce (ONDC).

Low-skilled gig workers belonging to this persona can be trained on an offline mode for learning trade/skills that can be used to enter the moderate-skilled gig workforce along with soft skill training such as client management and English language proficiency. Given their informal skilling backgrounds, such courses would provide them certifications on completion, making them eligible for those jobs. They can then partner with relevant employers to provide placement support and set up their profiles.

Low-skilled gig workers can be supported by companies like Virohan where the platform would provide them with end-to-end offline-first training for a moderate skilled role; the company also continues to support them in getting placed as well.

Virohan provides learning opportunities to individuals, largely from disadvantaged backgrounds, to build/enhance careers in the healthcare industry by training them in practical and employable skills that help them secure jobs. A startup based in Gurgaon, Virohan offers vocational training to paramedics, including lab technicians, OT technicians, and x-ray technicians. The company is addressing the critical need for vocational education in this field in India.

Virohan trains High School Graduates with vocational training needs and Healthcare Professionals with upskilling and reskilling needs, enabling them to be employed in key roles such as emergency medical technicians, laboratory technicians, dental assistants, and vision assistants. The educational approach includes a primarily online, blended learning format designed for working individuals, along with compulsory internships that offer hands-on experience to newcomers.

➤ Key skilling models in skilling and employability

There are three major modes of skilling business models based on the mode of delivery

1. Online first skilling model

Soft skilling and digital literacy training programmes require limited physical interaction; examples include Josh Talks, an application helping Indians speak fluent English and Entri, an online English-speaking course meant for students, job seekers, parents, homemakers and influencers.

2. Online + offline skilling model

Suitable skilling programmes for certifying incremental skills in which training can be offered through a combination of online and offline delivery. Urban Company, for instance, trains the partners they onboard, after which UC partners are provided with Skill India Certifications. Post this training period they can watch online videos for upskilling.

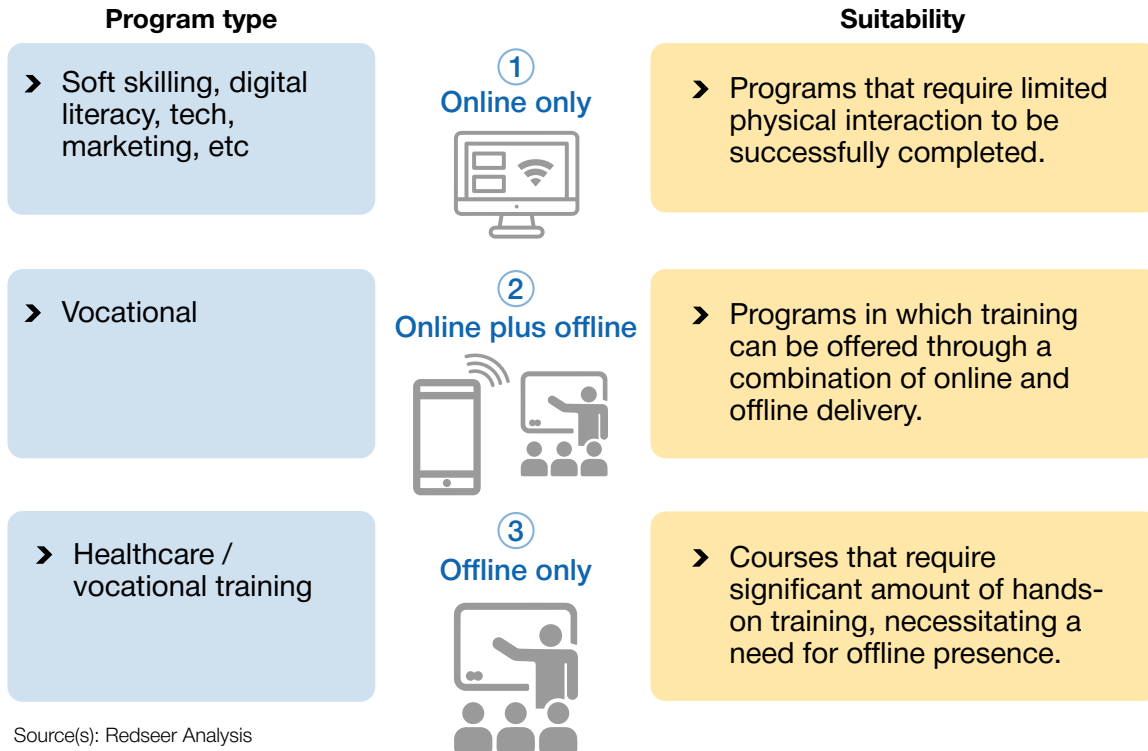
3. Offline first skilling

End-to-end trade related training for skilling and reskilling courses that require a significant amount of hands-on training necessitating a need for offline presence. Some examples include MMF's Care Skill Academy that trains students through a network of offline centres and Tata Strive, an organisation that provides end-to-end trade training through internal training centres while partnering with government and NGOs to reach other population groups.

On the other hand, the employability side ecosystem will need to support both salaried workers and entrepreneurs.

➤ Figure 22: Skilling model can vary by channel of delivery

On the skilling side, there are three major types of business models basis the mode of delivery.



Source(s): Redseer Analysis

1. Employer connect models



a. Job aggregators: Aggregating workers and employers on a platform, these models develop a marketplace for both the stakeholders. Examples include Work India, Project Hero, Apna etc. which are blue/grey collared focused job aggregator platforms.

b. Full stack staffing platforms: Providing workers employment through their platforms, these organisations take care of hiring, payroll management, social security benefits of workers. They replace the traditional offline contractors who would otherwise be working with these companies / workers. BetterPlace, Labournet, SmartStaff, GigForce etc. are examples of start-ups in this space. Quess Corp and Team Lease are large listed players in this space.

c. Full stack gig platforms: These platforms provide professional leads to gig workers through their application. Urban Company has an application that makes customers connect with freelance plumbers or beauticians who in turn get paid for the services they provide.

➤ Figure 23: Support needed for both salaried workers and entrepreneurs

On the employment support side, the ecosystem will need to support both salaried workers and entrepreneurs via these three buckets.

Model		Outline
<ul style="list-style-type: none"> ➤ Job aggregators ➤ Full stack staffing platforms ➤ Full stack gig platforms placement 	<p>① Employer connect models</p> 	<ul style="list-style-type: none"> ➤ These aggregate workers + employers and develop a marketplace between them. ➤ Providing workers employment through their platforms, these organisations take care of hiring, payroll management, social security benefits of workers. ➤ These provide worker leads through their applications.
<ul style="list-style-type: none"> ➤ Capital procurement models ➤ Ecosystem connect models 	<p>② Entrepreneur support models</p> 	<ul style="list-style-type: none"> ➤ Platforms that provide micro entrepreneurs or potential micro entrepreneurs with capital to run and establish their business. ➤ Helps entrepreneurs/self-employed connect with potential buyers and / or suppliers on a common platform.

Source(s): Redseer Analysis

2. Entrepreneur Support Models

a. Capital procurement models: Such organisations provide micro entrepreneurs or potential micro entrepreneurs with capital to run and establish their business. The MUDRA scheme provides loans ranging from ₹50,000 to ₹10,00,000 for micro-entrepreneurs across manufacturing, trading and service sectors. Razorpay offers collateral-free business loans through its line of credit product, with loans up to ₹25 lakhs. The target customer segment includes small and medium-sized businesses with low credit scores and blue collar workers without long credit history.

b. Ecosystem connect models: Platforms such as Buyume or ONDC helps entrepreneurs/self-employed connect with potential buyers and / or suppliers on a common platform.



Chapter 4

Crafting Programmes that Work



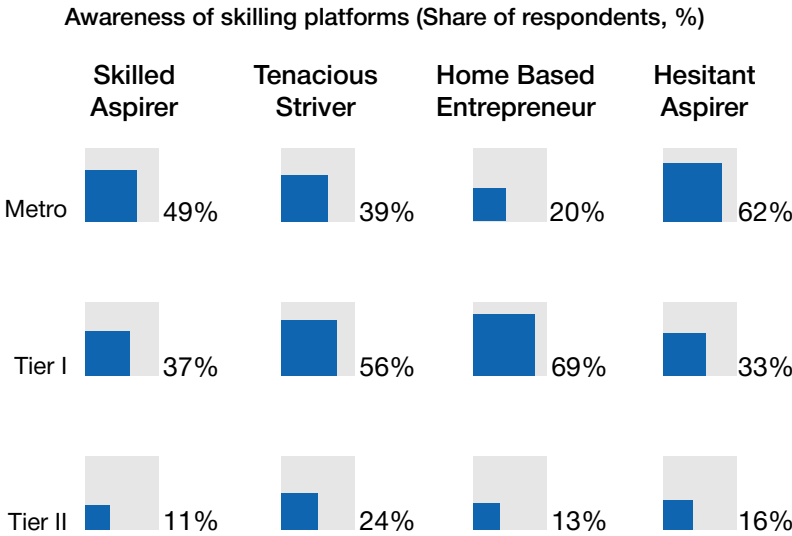
Skilling and employability support for the identified personas will be the way to equip India’s workforce of the future for the jobs of the future. But how precisely these programmes should be calibrated will emerge from a granular understanding both of how these personas consume skilling inputs, as well as from what entrepreneurs have found effective to convert programme content into genuine improvements in skills. Our research shows that the implementation of skilling programmes will rest on how to both reach the right people and bring them on board. Designing courses in a manner that allows people to complete them, and enables them to put the skills into use will be crucial.

➤ Problem 1: Awareness and onboarding

There is limited awareness on skilling platforms across segments, with awareness particularly low among the unemployed. Of the personas selected for this analysis, Tenacious Strivers are the most aware (43% of them are aware of any skilling platform) while Stability Seekers are less aware (23%). The majority of the respondents who had awareness knew about local computer training centres or local vocational skill tutors, while there seems to be minimal awareness of online skilling platforms.

Awareness levels in Tier-II cities are lower when compared to metro/ Tier-I cities.

➤ **Figure 24: Awareness of skilling platforms**



Most respondents with awareness of skilling platforms knew about only local computer training centres or local vocational skill tutors. And they knew only about white collar platforms

Source(s): Redseer Research, Redseer Analysis



Given low levels of awareness of skilling platforms, leveraging the familiar can help get past initial barriers—be it taking advantage of word-of-mouth or the popularity of YouTube.

➤ Solutions

Word of mouth and demonstrating success stories are crucial

More than two-thirds of respondents cited friends or family as their primary source of awareness on skilling platforms. Additionally, more than half of the respondents cited friends or family as their primary source of awareness about employment platforms. For skilling companies succeeding on word-of-mouth referrals and demonstrating success stories will be crucial. With a large share of the workforce unemployed in addition to a significant number employed in the informal sector, awareness around employability support platforms also remains low. Given the levels of awareness, word-of-mouth success stories of employability business models would help bring individuals into the formal workforce.

Leverage YouTube and shortform platforms to build top of the funnel awareness and onboarding

Around a third of the respondents have stated that they use YouTube for educational purposes. Of them, more than half of the learning use cases include technology and test-preparation. While around a fifth use YouTube for performing arts, the rest use YouTube for arts and crafts, baking and cooking and finance and investments. Among the various channels, StudyIQ boasts the highest number of subscribers, reaching an impressive count of 14 million, particularly students and the unemployed. Skilling solutions providers could leverage the reach of YouTube to amplify their content and message.

➤ Problem 2: Course structure and delivery

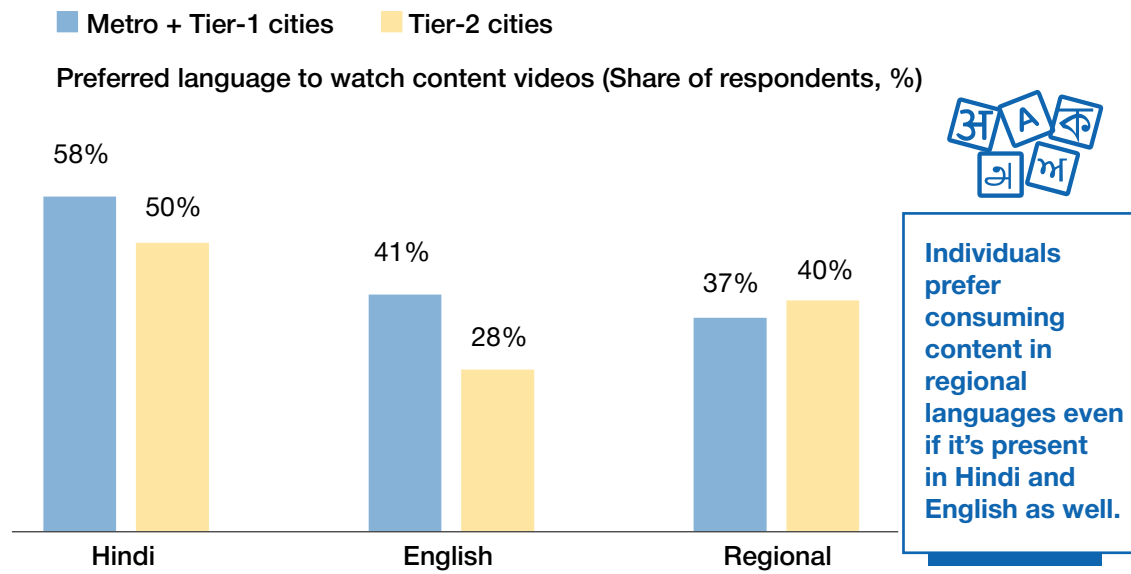
India's linguistic diversity is too vast to accommodate a single medium of content consumption across regions; dialects of the same language change for every 100-200 kilometres even within a single state in India. While they are digital natives, most workers and potential workers find themselves short of time to access information on skilling.

➤ Solutions

Developing vernacular courses

Content development must be localised to be largely inclusive of the language and dialect in each region. Developing vernacular content is a two-step iterative process, the first of which is to analyse the demographic profile of the region in concern. This would include a multitude of factors such as age, education and occupation. The second step is that of behaviour profiling; three key metrics—click rate, completion rate and engagement rate—allow content creators to

➤ Figure 25: Preferred language for content consumption



Source(s): Redseer Research, Redseer Analysis

better understand how the information is being consumed and make tweaks accordingly³⁷.

Even though content exists widely in English and Hindi languages, a large share of individuals prefer consuming content in regional languages. 37% of the respondents from Metro and Tier-1 cities and 40% of the respondents from Tier-2+ cities prefer regional languages to be their desired language of content consumption. Across social media platforms in India, a considerable share use regional languages as their primary application language—60-65% of monthly average users of Sharechat, 35-40% of Dailyhunt, 20-25% of YouTube, 15-20% of Facebook, and 1-5% of Instagram,³⁸ for instance.

One of the examples of vernacular adoption includes Facebook, which provides holistic vernacular experience from the login page itself. The page is contextualised on the basis of the region an individual is accessing Facebook from.

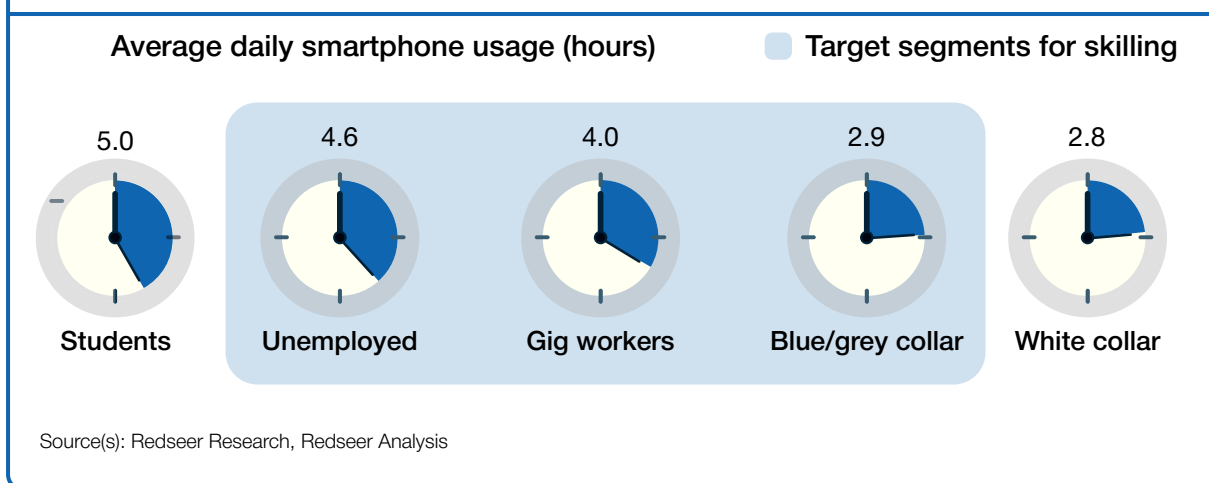
Keep the length of the courses short

Time was identified as a significant challenge by the majority of respondents from different personas. Skilled Aspirers, Tenacious Strivers, and Home Based Entrepreneurs are the most time pressed personas. Non-white-collar workers, in particular, expressed a

³⁷ Click rate refers to the number of time a user is clicking on content; completion rate is run time of the video that is being completed by the user; engagement rate refers to the user liking or sharing the content that they have consumed.

³⁸ Redseer Research | Average annual figures for Monthly Active Users (MAU) by language for the period of March 2021 to March 2022

➤ Figure 26: 2 - 5 hours of smartphone usage across personas



preference for courses that require a time commitment of 1 to 5 hours per week. A considerable portion of respondents indicated a preference for 5-7 week courses as their ideal choice.

Leveraging social media applications for course delivery

The Next Half Billion, those who first came online between 2017 and 2022, are materially different in their relationship with the internet than earlier waves of internet adopters in India. Our research finds significant smartphone penetration and widespread comfort with using mobile phone applications including for learning and payments.

In general, over 90% of the respondents use smartphones. Communication and social media are the top use cases across groups, while over half of the unemployed and blue/grey-collar individuals utilise digital payment methods and more than a third of both personas engage with e-commerce platforms.

Women who are bound by social norms have limited mobility in access to skilling opportunities. Even for women who work or conduct business from their homes, it is difficult to gather knowledge about the market due to information asymmetry caused by lack of mobility. Improving digital access through social media applications would encourage women to pursue skilling courses online; especially ones that help improve their communication and soft skills.

One such experimental model is the YuWaah (Generation Unlimited

India) project at UNICEF in partnership with Flyvheel, an initiative for young job-seekers that leverages Whatsapp. To explore various types of job opportunities and learn about new-age job portals, YuWaah has created 'U-Report', UNICEF's interactive chatbot on WhatsApp. Once the aspirant joins/subscribes to U-Report, they gain access to a wide range of learning and career guidance opportunities directly through WhatsApp. Given the comfort of a wide range of Indians with Whatsapp, this could be a valuable mode to augment course delivery.



The National Apprenticeship Promotion Scheme enrolled 685,000 apprentices in 2021-22, and shares training costs with employers.

➤ Problem 3: Financial support

More than two-thirds of the blue/grey collared workers cited financial problems to be the major reason for them dropping out from school/college. There are various programmes and initiatives that provide financial support for upskilling, job placement, business growth, and training opportunities for individuals who need it. Some models include:

➤ Solutions

Paid-on-the-job upskilling programme

A vital financing programme for the blue/grey collared, paid-on-the-job upskilling programme is a form of apprenticeship where the trainee is paid a stipend.

The National Apprenticeship Promotion Scheme is one such programme that offers a stipend provided by the government and shares basic training costs with employers. In 2021-2022, this scheme successfully enrolled 685,000 apprentices.

Aiming to target ITI/diploma/other graduates, short-term training programme graduates and fresh apprentices, some of the key objectives of NAPS include hands-on skill development and providing industry expertise.

The NAPS is a cost-sharing arrangement between the employer and the government—the cost is shared between the two stakeholders to develop an 'earn and learn' model.



Across the personas, what emerges as the most important skilling solution is basic business management skills. Also crucial are digital marketing skills, communication skills and enhanced vocational skills.

Pay-after-placement support for better paying jobs

By providing a financial cushion for a trainee's skilling needs until they get placed, the pay-after-placement support reduces the pressure on the trainee. The payment for skilling is only required after the trainee successfully lands a better paying job.

Masai School is amongst the early pioneers of the Pay After Placement model in the Indian context. The company offers industry aligned 6-9 month courses for unemployed youth to enter the tech sector. Majority of their students are from the NHB population who would have otherwise found it difficult to pay upfront or get a loan for a similar course. Given the strong focus on curriculum and employer connects, the company has 95%+ placement ratios. This has also helped the company to build a strong brand image amongst the target students which results in low / negligible direct marketing costs.

SmartStaff is a blue-collar staffing platform solution for manufacturers where workers are hired under SmartStaff's payroll and work for manufacturers on contract basis. Along with this, SmartStaff has recently introduced upskilling courses under the Pay After Placement Model. Here, SmartStaff collects fee only after workers secure the job, by deducting the amount in instalments from the payroll.

Loans to start/grow business

Unemployed or blue/grey collared individuals who want to set up their own businesses often find it challenging to finance their capital expenditure. These financing programmes offer small, ticket sized loans that help them cover their initial setting up costs and working capital costs.

Revive Alliance, an USD 20 million blended finance facility and livelihood accelerator to help informal workers and micro-entrepreneurs, offers timely and affordable capital through a range of blended finance models. These models also support the recovery of livelihoods and income generation for salaried workers, self-employed individuals, and micro-enterprises affected by the pandemic and subsequent lockdown.

The **Pradhan Mantri Mudra Yojana (PMMY)** started off in 2015 by introducing the **Micro Units Development and Refinance Agency Limited (MUDRA)** with twin goals of funding the 'underfunded' and helping individuals set up micro businesses across the length and

breadth of the country. With credit requirements less than ₹10 lakhs, the MUDRA scheme covers all non-farm Small and Medium-sized Enterprises (SMEs) to support their growth and expansion. This initiative has been particularly valuable to women-owned businesses, having sponsored 3.8 crore loans to women entrepreneurs.

Free training for remote and flexible jobs

Aimed at personas with limited ability to pay, this financial aid model offers limited or no charges for the training programmes conducted. It is particularly important for potential female workers who are restricted by social norms. Such models also support demotivated individuals across personas who have dropped from skill training or employment due to a lack of rigour.



Conclusion



India's 960 million-strong potential workforce could power growth and development for themselves and for the country; upskilling and raising employability for them could unleash exponential gains. An additional 100 million people entering the workforce, as our study suggests, would not only substantially improve their own and their family's lives, but would also have the potential to increase GDP by at least 20% and accelerate India towards becoming a USD 4 trillion economy.

However, this will require various stakeholders including society, government and the market to work together.

Through a unique field-level survey, this study identifies personas that require skilling and employability support, as well as the steps required to bring those personas currently out of the workforce into the fold. The survey has further helped understand the nature of the skilling capabilities and employment opportunities available for different personas and individuals across intersections. These intersections proved useful in analysing nuanced differences at multiple levels of the study, producing a highly precise solution framework that aims to tap the opportunities of the growing workforce. Additionally, this report identifies successful models that can be replicated, as well as actionable inputs for those designing and implementing solutions.

To this end, we make the following six key recommendations:

1 Greater focus on the blue/grey collar skilling and employability will yield the greatest dividends

With a large share of the workforce in the informal sector, focus will need to be on the segments that have significant skill gaps. Unlocking the productivity of the 580 million people who are in blue/grey collar jobs or are unemployed will substantially expand the workforce, boost labour productivity and create future-proof employability.

As seen during segment identification in the study, the 428 million unemployed³⁹ and the 154 million blue/grey collared sections had a

³⁹ This includes 409 unemployed not actively seeking work + 19 million unemployed seeking work who were previously employed in blue/grey collared

higher need gap; these segments need to be targeted with skilling and employability support solutions. The unemployed, who are a sizable segment with a significant need to increase employability, have limited solutions at scale available to them in the market, and the nonprofit sector effort here is localised. Skilling for the blue/grey collared, meanwhile, is highly informal, a key reason cited for low productivity levels. Solving for such an employability need gap should be a priority.

Given their higher urban concentration, digital literacy, and lack of current market solutions, developing skilling and employability solutions are feasible, but will require support to bridge financing challenges.

2

Given heterogeneity of the Indian workforce, solutions will need a granular approach

India's workers start with widely varying abilities, incomes and needs. Our research suggests that understanding workers' and potential workers' skills, limitations and aspirations will be key to helping craft skilling and employability solutions that take them towards the jobs they desire, as well as the skills that make them future-ready.

On one hand, Amit, the food delivery executive from Jabalpur who is completing a postgraduate degree, would like to learn skills that could help him realise his dream of starting a restaurant. He'd be willing to spend up to a fifth of his earnings every month to do an online course that could set him up for his own little kitchen.

On the other hand, Jyoti, a 25-year-old from Delhi, has a B.Ed degree but has not joined the workforce yet despite hoping to one day become a teacher. She worries that she will need a 'recommendation' from someone to get a job, or that her dream job might be far from home, and her conservative family might not allow her to travel to it.

Even within the blue/grey collared and unemployment sections, there are stark differences between the personas developed by creating intersections of age, gender, occupation, income and locality. Not only are there wide variations in demographic profiles and skill sets, there are also considerable differences in the willingness to upskill or seek paid work, and the ability to pay for such training. Entrepreneurs and policy makers will need to take into account such intersections to solve for skilling and employability challenges.

3

There is significant space for market solutions in both skilling and employability support

We find that awareness on skilling and employability is limited to family, friends and employers at work places; bridging the information asymmetry between prospective employers and the workforce would require entrepreneurs to develop both skilling and employability support initiatives that would get the job market players familiar with each other. This requires a nuanced understanding of how relevant content is being consumed among these groups, as well as how content can be created in a way that builds off existing channels of communication. Entrepreneurs have an opportunity to directly impact 100 million individuals who have both the desire to upskill as well as the ability to pay for skilling solutions, creating USD 1.5-2.0 Bn opportunity.

While the majority of the workforce our study considers is currently unemployed, our research finds that for all levels of occupational categories, there is a significant need for employability support. Through a systematic study of the employment eco-system, we find that employer connect models involving job aggregators, staffing and placement models and full-stack gig platform models as well as entrepreneur support models will be key.

4

Government and nonprofits have the opportunity to cater for sections which can't afford loss of pay or have low ability to pay for skilling

80 million Tenacious Strivers who primarily belong to the deprived strata lack the ability to pay for skilling and employability support, while 50 million Stability Seekers have low willingness to pay for skilling. Governments and nonprofits can play a major role in building a supportive, enabling and facilitating role here. Government can play a key role in significantly augmenting skill training capacity and quality, implementing schemes that improve access to capital for small and informal businesses and implementing the skills stack as public digital infrastructure that becomes a vital enabler for the skills and employment ecosystem.

Government support through policy and funding for nonprofits and entrepreneurs will be crucial. Direct government support initiatives

could include subsidised skill development programmes, paid internship opportunities and capital support programmes. On the other hand, indirect support initiatives could include policy changes that support those currently out of the workforce including paid childcare and parental leave policies.

Given their position in society, the nonprofit sector can play a particularly important role in building awareness and aspirations as well as developing and implementing lighthouse demonstration projects that can be implemented at scale with government and private sector organisations.

5

Skilling & employability support in 6 key areas will have disproportionate impact

Across the personas that the study identified, what emerges as the most important skilling solution is basic business management skills. Digital marketing skills are the desired skilling solutions for Home-Based Entrepreneurs, Skilled Aspirers and Stability Seekers. Language and communication skills are required mostly by Hesitant Aspirers, Tenacious Strivers and Stability Seekers. Vocational skills are crucial to Skilled Aspirers, Tenacious Strivers and Stability Seekers. We need to build adequate capacity for delivering these skills to each of the personas.

For employability support, access to capital and access to gig and other staffing platforms are the most critical solutions. Access to capital is a significant employability support solution to Hesitant Aspirers, Home-Based Entrepreneurs, Skilled Aspirers, Tenacious Strivers and Stability Seekers. Access to gig and other staffing platforms is another major employability solution for Hesitant Aspirers, Skilled Aspirers, Tenacious Strivers and Stability Seekers.

6

Awareness building, short program duration, content contextualisation and financial aid are crucial to successful implementation

Standard market solutions in the skilling space can be challenging both in terms of money and time. Personas like Tenacious Strivers cite affordability as a major constraint in signing up for skilling courses; whereas personas like Stability Seekers have low willingness to skill, which can also partially be attributed to the duration of the courses.

Pricing serves as a barrier to entry for motivated individuals; duration serves as a barrier to entry for those with relatively lower willingness to skill.

Word-of-mouth referrals can be vital in building awareness of courses. With a large share of the workforce unemployed in addition to a significant number employed in the informal sector, awareness around skilling and employability support platforms also remains low; improving word-of-mouth referrals would bring them into the workfold.

Overall course duration should be kept short (5-7 weeks). Blue/grey collar workers, in particular, expressed a preference for courses that require a time commitment of 1 to 5 hours per week. A considerable portion of respondents indicated a preference for 5-7 week courses as their ideal choice.

Leveraging YouTube and familiar social media applications could also help expand reach and lower barriers to entry. Other key success factors include content that is contextualised to the learners' socio-economic profile and innovative financial schemes such as stipends, cost-sharing and pay-after-placement models for those with a lower ability to pay.

This could be the Indian century. Enabling young people with aspirations for themselves and their families and the determination to work hard to achieve their potential is going to be critical. This report is an attempt to support all stakeholders, across society, government and markets, to be a part of the solution.



Barsha Das is a 20-year-old woman in Guwahati who had to drop out of the education system after Class XII as her family was cash-strapped. She works part-time in a tailoring shop, but recognises that to execute more complicated and skilful designs, she would need more training, something that her busy employer simply cannot provide. But Barsha dreams big—she would be happy to pick up more skills and work longer hours, perhaps in her own tailoring shop, or even as an online shop. How to get there remains unclear to her⁴⁰.

Prakash is a 33-year-old sales representative at a spice company in Meerut. He describes himself as “always ready to learn” and watches videos to understand new customer trends. If he could find reliable courses that taught him something new—how to launch new products, how products, packaging and distribution strategy—he would take them whether they were online or offline, and he’d be more than willing to pay for them.

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