



## Social Innovation & Collaborative Action for Promoting Livelihood

Exploring Microenterprise Development for Job Creation

India's impressive growth trajectory has not translated into a corresponding increase in jobs. For every 12 million Indians who join the workforce each year, less than 1 million are able to find meaningful, dignified and adequately remunerative work in the formal economy; the rest struggle in situations of obvious unemployment or disguised under-employment.

Today a workforce of 485 million resides in India, which is estimated to grow by a million each month. Large corporations, medium sized businesses, and institutions in the formal economy generate employment for less than one-tenth of this increasing workforce.

In 2017, India has retained approximately half of its workforce in the agricultural sector even as agriculture's share in GDP reduced to less than 20%. The services sector has steadily increased its share in contribution to GDP, while fewer than 10% of the workforce find formal employment in it. India continues to show low growth in its six most labor intensive sectors and automation reinforces the problem of joblessness.

It is imperative now to focus on alternate pathways towards equitable participation and reduced economic contradictions - in order to meet our goals of sustainable development. This requires India to enable a system that appropriately localizes and decentralizes its production of goods and services while integrating economic efficiency, but also environmental soundness and social equity into business decisions. Across high, middle, and low-income countries, micro enterprises (MEs) constitute the largest share of private businesses and account for the bulk of employment. These dynamic entities create local jobs and boost economic resilience leading to strong multiplier effects on the national economy. With around 36.1 million units throughout the of the country, MSMEs in India contribute to 37% percent of the GDP, 37% of India's manufacturing output and employing close to 20% of the workforce.

Entrepreneurial attitudes and resourcefulness run deep in India. People's strengths and their initiatives are however, stifled by a complex set of social and economic factors. Eastern Uttar Pradesh region is a glaring example of this. Although pestered with acute poverty, low agricultural productivity and high rate of migration, this region has an economy which is driven mostly by the micro entrepreneurs.

In order to unleash this potential, there is a need for social innovation based systemic change - driven by processes of transformation that are planned and managed in a participatory and collaborative manner. Collective will, with collaborative action, is required to first remove barriers that stifle the emergence of micro-enterprises, and second, put them on an accelerated growth trajectory that enables entrepreneurs to turn into job creators of their choice.

In light of this view, the need for multi-stakeholder platforms that listens through **dialogue**, find answers through **co-creation**, and then **prototype** solutions to share **learning** to eventually create impact at scale. There are increasing examples of prototypes and platforms that adopt multi-disciplinary approaches to empower communities with livelihood models while addressing issues of social inclusion and environmental sustainability.

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The Work 4 Progress (W4P) program of “la Caixa” Banking Foundation led by Development Alternatives in India is an initiative in direction to create entrepreneurship led jobs and livelihoods. In the two years of its implementation i.e. from 2017, this platform has created a network of community change agents, a coalition of local micro movements, and a series of service packages and interactive media as trigger points in the enterprise ecosystem with partners.

DA seeks to use social innovation and collaborative action to create 1 million jobs by 2027 through micro enterprise development in rural areas. To achieve this DA along with implementing enterprise development programs like W4P, also seeks to develop tools of acceleration and network of partnership at multiple levels starting from village level to national level. Regional Coalitions are example of DA’s innovation in policy implementation through which a platform is being created at district level for bringing the all the stakeholders for enhancing the ecosystem for micro entrepreneurship development. In addition to the enterprise support services being provided to the rural entrepreneur, in order to make the enterprises more sustainable, DA is working towards developing local networks of entrepreneurs (Peer to peer networks). Peer to peer networks are envisioned as local drivers of enterprise ecosystem to enable a nurturing community for aspiring rural entrepreneurs.

Through the TARAGram Yatra, the yatris will be able to experience the above mentioned social innovation methodology of – dialogue, co-creation, prototype and learn. During the Yatra, the yatris will work together to observe the following

- a) Scope and opportunities of collaborative action for providing enterprise support services
- b) Need assessment for enterprise support services being catered to Base of Pyramid customers (rural micro entrepreneurs)
- c) How to capture the narratives of peer to peer network and expand their functionality?

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