

Levelling the Field Through Education: Social Entrepreneurial Approaches to Upskilling in the Informal Economy

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Abstract

Purpose: This paper conceptually examines how education-led social entrepreneurship functions as a levelling mechanism to address skill-based inequities within the informal economy, with specific reference to the Indian context.

Design/Methodology/Approach: The study adopts a descriptive and conceptual research design based on an extensive review of secondary literature drawn from development economics, education studies, social entrepreneurship, and labour market analysis. The paper integrates theoretical constructs to establish relational linkages among education, upskilling, social entrepreneurship, and informality.

Findings: The study demonstrates that conventional education and skill-development frameworks inadequately serve informal workers due to structural exclusion, contextual mismatch, and institutional fragmentation. Education, when reimagined as a capability-enhancing and context-sensitive process, emerges as a critical enabler of equity. Social enterprises act as intermediary institutional agents that democratise access to education, legitimise experiential learning, and align skills with livelihood realities. Upskilling is identified as a developmental process focused on refinement, recognition, and scalability of existing capabilities rather than initial skill creation.

Implications: The study highlights important implications for education policy, entrepreneurship ecosystems, and inclusive development frameworks. It underscores the need for integrated policy approaches that formally recognise informal learning and support education-focused social enterprises.

Originality/Value: By conceptually synthesising education, social entrepreneurship, and informal economy discourse, the paper advances an equity-oriented framework for understanding upskilling as a pathway to inclusive development.

Keywords: Social Entrepreneurship; Education; Upskilling; Informal Economy; Inclusive Development; Levelling the Field

1. Introduction:

Education-led social entrepreneurship has gained prominence as a strategic response to entrenched inequalities within labour markets dominated by informality. In contexts where conventional education and training systems fail to reach marginalised workers, socially driven entrepreneurial interventions attempt to equalise opportunities through targeted upskilling initiatives (Dees, 2017; UNESCO, 2022).

1.1. Contextual Background:

The informal economy constitutes a dominant segment of employment in developing countries, with India witnessing a persistently high share of informal workers characterised by low skill levels, income insecurity, and limited institutional support (ILO, 2023). Structural transformations driven by technological advancement and market formalisation have further

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widened skill asymmetries between formal and informal labour segments (World Bank, 2023). In response, social entrepreneurs have increasingly deployed education-centric, locally embedded models that combine skill development with livelihood enhancement. Such initiatives aim to bridge capability gaps while ensuring social inclusion and operational sustainability (Mair & Marti, 2006).

1.2. Problem Statement:

Despite their significant contribution to economic output, informal workers remain largely excluded from formal skill-development and education frameworks. Existing institutional mechanisms inadequately address their contextual learning needs and constraints. This persistent exclusion reinforces labour market inequities and limits upward mobility (ILO, 2023).

1.3. Rationale of the Study:

Why social entrepreneurship is relevant? Social entrepreneurship addresses gaps left by market and state mechanisms by integrating social objectives with innovative delivery models. It is particularly suited to designing inclusive skill interventions for underserved informal workers (Mair & Marti, 2006).

Why education must be reimagined? Conventional education systems often prioritise credentialism over contextual relevance. Reimagined education emphasises flexible, modular, and employability-oriented learning aligned with informal sector realities (UNESCO, 2022).

Why upskilling in the informal economy matters? Upskilling enhances productivity, income stability, and labour market adaptability among informal workers. At the macro level, it contributes to inclusive growth and economic resilience (World Bank, 2023).

1.4. Objectives of the Paper:

In line with the conceptual concerns outlined above, the paper delineates specific analytical objectives to systematically examine the role of education-led social entrepreneurship in addressing skill inequities within the informal economy. These objectives provide a structured framework for understanding the mechanisms through which educational interventions contribute to levelling the field.

1.4.1. To study the construct of “*Levelling the Field*”: The paper conceptualises “levelling the field” as the reduction of structural skill-based disparities affecting informal workers through education-led interventions.

1.4.2. To explore education as a transformative tool: It examines the role of education in improving employability, agency, and economic participation within the informal economy.

1.4.3. To understand social entrepreneurial approaches: The study comprehends education-focused social entrepreneurial models aimed at addressing upskilling deficits in informal labour markets.

1.5. Scope and Delimitations:

The study focuses on the constructs of *levelling the field*, stated in a normative way, referring to reducing structural inequalities that prevent certain groups from accessing opportunities available to others.

Education here does not mean formal schooling alone. It includes, informal education, non-formal learning, skill-based training, community learning, and vocation. In this paper, education functions as a means to empowerment, a bridge between exclusion and participation, and a tool for dignity, agency, and adaptability.

Social entrepreneurship as the agency can said to be mission-driven strategy used by social enterprises to create social value while remaining operationally sustainable.

Upskilling on the other hand refers to enhancing existing capabilities rather than creating skills from scratch. In the informal economy context, workers already possess tacit skills and what they lack is refinement, recognition, and scalability.

The domain of the paper, *informal economy* consisting of economic activities that are unregulated or partially regulated, outside formal labour protections, skill-intensive but undervalued. In India majority of employment lies here where learning happens through practice, not institutions. Skills are inherited, experiential, and community-based.

It is remarkable to be noted that if all the above-mentioned relevant variables are being thread, then a subtle relationships and flow could be apparently understood. The same has been done in the upcoming title.

The paper adopts a descriptive and conceptual methodology based on secondary literature and compiled data, without primary empirical investigation. Also, no geographical boundary has been picked for carrying the work, just to gain the generalize status. Timeframe has also not been considered to allow the past to present fall in the study since evolution.

The scope of the present paper is confined to the Indian informal economy, considering its scale, structural characteristics, and relevance to education-led social entrepreneurship.

2. Conceptual and Theoretical Foundations:

This section establishes the conceptual and theoretical underpinnings of the study by clarifying key constructs and situating them within relevant development, education, and entrepreneurship discourses. Together, these foundations explain how education-led social entrepreneurship can function as a levelling mechanism within the informal economy.

- 2.1. **Understanding “Levelling the Field”:** “Levelling the field” denotes efforts to mitigate structural inequalities that limit access to opportunities. It emphasises capability-based equity rather than uniform treatment (Sen, 1999). Normative theories further associate it with fairness achieved through compensatory mechanisms (Rawls, 1971).
- 2.2. **Education as Capability Enhancement:** Education is understood as a means of expanding individual capabilities and agency. The capability approach highlights learning as central to human freedom and functional competence (Nussbaum, 2011). Context-sensitive education strengthens livelihood outcomes in disadvantaged settings (Tikly, 2016).
- 2.3. **Social Entrepreneurship: Conceptual Evolution:** Social entrepreneurship has shifted from charitable initiatives to hybrid, mission-driven enterprises. Early perspectives stressed innovation and social value creation (Bornstein, 2004). Later models emphasise sustainability and institutional embeddedness (Defourny & Nyssens, 2010).
- 2.4. **Upskilling as a Developmental Process:** Upskilling represents a continuous process of enhancing productive and adaptive capacities. Human capital theory links skill development to economic mobility (Schultz, 1961). Contemporary analyses associate upskilling with labour market resilience (OECD, 2019).
- 2.5. **The Informal Economy as a Learning Space:** The informal economy operates as a site of experiential and tacit learning. Skills are acquired through practice and social interaction rather than formal instruction (Rogers, 2004). Recognising informality as a learning space enables inclusive skill formalisation (Chen, 2012).

Conceptual flow of all variables:

Exists Structural Inequality (*Levelling the Field*) → Education as Capability-Building (*Through Education*) → Through Innovation/mission (*Social Entrepreneurial Approaches*) →

By Skill Enhancement & Recognition → (*Upskilling*) → In the Marginalized Economic Space
→ (*Informal Economy*)

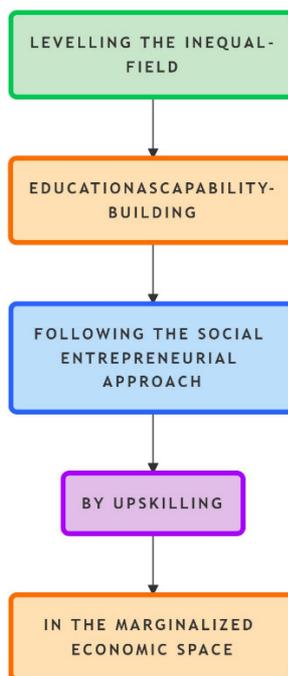


Fig. 1.1 – Flow of Variables

3. Review of Literature

This section synthesises existing scholarly work linking social entrepreneurship, education, skill development, and human capital formation within the informal economy, while identifying unresolved gaps that justify the present study.

- 3.1. **Social Entrepreneurship and Education:** The literature recognises education as a central intervention domain for social enterprises seeking systemic change. Education-led social ventures are noted for improving access, relevance, and inclusion beyond formal institutional frameworks (Leadbeater, 1997; Perrini, Vurro, & Costanzo, 2010). Studies emphasise pedagogical innovation and community embeddedness as key success factors.
- 3.2. **Social Entrepreneurship and Skill Development:** Research highlights the role of social enterprises in delivering demand-driven and employment-oriented skill programmes. Such initiatives address market failures by aligning training with local livelihood needs and marginalised worker profiles (Austin, Stevenson, & Wei-Skillern, 2006; Smith & Stevens, 2010). Evidence suggests positive outcomes in employability and income stability.
- 3.3. **Informal Economy and Human Capital:** Scholarly work on the informal economy underscores chronic deficits in human capital accumulation due to exclusion from formal education and training systems. Informal workers largely rely on experiential learning, resulting in uncertified and undervalued skills (Becker, 1993; Fields, 2011). This constrains productivity and upward mobility.

Gaps in Existing Literature: Despite extensive discussion, limited integrative studies examine education-led social entrepreneurship as a levelling mechanism within the informal economy. Existing research often treats education, skill development, and informality in isolation, with inadequate conceptual linkage among them. This gap necessitates a holistic, descriptive synthesis focused on upskilling-driven equity outcomes.

4. Hardships Marked:

Undoubtedly, the conventional education and skill-development frameworks inadequately serve informal workers. Education, when reimagined as a capability-enhancing and context-sensitive process, emerges as a critical enabler of equity. Social enterprises lack the roles it is meant for and thus upskilling gets dented. Following are the evidenced pointers:

- 4.1. Education and Equity in the Informal Economy:** Education functions as a critical equalising force in labour markets characterised by informality and vulnerability. In the informal economy, inequitable access to education and skills perpetuates income insecurity and limits social mobility. Addressing educational inequity is therefore central to levelling the field for informal workers.

Following is some of the eye-opening facts and figures compiled in this direction:

Table 1.1

Education and Employment Characteristics of the Informal Economy in India

Indicator	Estimate	Interpretation
Share of informal employment in total employment	~81%	Indicates the dominance of informal work arrangements in India's labour market
Estimated number of informal workers (2022-23)	10.96 crore	Reflects scale of workforce engaged in unincorporated informal enterprises
Change in informal employment (2015-16 to 2022-23)	Approx. 1.5%	Shows marginal decline despite multiple economic shocks
Informal workers earning ≤ ₹10,000 per month	~94%	Demonstrates income precarity and limited returns to skill acquisition
Informal workers with only primary or below (global comparison)	~45%	Highlights educational disadvantage relative to formal sector workers

Sources - ILO (2018, 2023); MSPI, (2022-23); WB (2020, 2021); OECD (2019, 2021).

Note. The table is a compiled dataset prepared by the author based on secondary sources to illustrate structural education and income characteristics of the informal economy.

- 4.2. Barriers to Education and Skill Access:** Informal workers face multiple structural barriers to accessing education and skill development opportunities. Irregular working hours, low and unstable incomes, and absence of formal employment contracts restrict participation in conventional training programmes (ILO, 2022). Limited geographical reach of institutions and inadequate recognition of prior experiential learning further exacerbate exclusion (World Bank, 2020). Gender disparities, migration status, and digital divides also constrain access to skill-enhancing resources (UNESCO, 2021). Collectively, these barriers reinforce skill deficits and sustain inequality within the informal labour market.
- 4.3. Reimagining Education for Informal Workers:** Reimagined education emphasises flexibility, modularity, and contextual relevance tailored to informal work realities. Non-formal and community-based learning models enable workers to acquire skills without disrupting livelihoods (UNESCO, 2022). Competency-based frameworks that recognise prior learning enhance inclusion and motivation among informal workers (OECD, 2021). Technology-enabled delivery mechanisms further expand outreach and affordability, making education more accessible and responsive to informal sector needs (World Bank, 2021).

4.4. Role of Social Enterprises in Democratizing Education: Social enterprises play a pivotal role in democratising education by bridging gaps left by state and market mechanisms. They design affordable, locally embedded skill programmes aligned with livelihood opportunities (Mair & Marti, 2006). Through innovative financing and delivery models, social enterprises lower entry barriers and reach marginalised informal workers (Defourny & Nyssens, 2010). Their mission-driven orientation ensures that education serves as a tool for empowerment rather than mere credential acquisition (Bornstein, 2004).

5. Policy and Institutional Implications

Education-led social entrepreneurship addressing informal sector upskilling carries significant policy and institutional relevance.

They highlight the need for coordinated frameworks that integrate education, labour, and enterprise development. Such alignment is essential for translating skill formation into equitable economic outcomes (World Bank, 2021; ILO, 2022).

5.1. Implications for Education Policy: Education policy must move beyond formal systems to explicitly incorporate informal workers within national skill strategies. Flexible accreditation and recognition of prior learning can legitimise experiential skills acquired in informal settings (OECD, 2021). Policies supporting non-formal and community-based education enhance accessibility for marginalised workers (UNESCO, 2022). Curriculum alignment with local livelihood needs strengthens employability outcomes. Public-private partnerships with social enterprises can improve outreach and contextual relevance. Overall, education policy should prioritise inclusivity, adaptability, and employability-oriented learning pathways (World Bank, 2020).

5.2. Implications for Entrepreneurship Ecosystems: Entrepreneurship ecosystems should recognise social enterprises as key institutional actors in skill development. Supportive regulatory frameworks and blended finance mechanisms can enhance their scalability and sustainability (Mazzucato, 2018). Incubation and acceleration programmes tailored to education-focused social ventures strengthen innovation capacity (Audretsch, 2021). Collaboration between social enterprises, training institutions, and industry improves skill-to-market alignment. Enabling ecosystems thus facilitate socially embedded entrepreneurship addressing labour market inequities (Isenberg, 2011).

5.3. Implications for Inclusive Development: Inclusive development frameworks benefit from integrating education-led social entrepreneurship into broader development planning. Skill enhancement among informal workers contributes to productivity & income security (UNDP, 2020). Equity-oriented upskilling reduces vulnerability & promotes social mobility across disadvantaged groups (Sen, 1999). Institutional recognition of informal learning supports dignified livelihoods. Consequently, inclusive development policies must embed education, entrepreneurship, & informality within a unified equity-driven agenda (ILO, 2022).

6. Challenges: Based on the preceding conceptual, policy, and literature-based analysis, several interrelated challenges emerge that constrain the effectiveness of education-led social entrepreneurial interventions in the informal economy.

These challenges reflect structural, institutional, and operational limitations identified across the study. Following is those:

6.1. Limited Accessibility of Education for Informal Workers: Informal workers often lack time, financial capacity, and proximity to education and training institutions. This restricts sustained participation in skill development programmes (ILO, 2022).

- 6.2. Mismatch Between Training and Livelihood Needs:** Many skill initiatives are insufficiently aligned with local labour market realities. This mismatch reduces the employability and income relevance of acquired skills (World Bank, 2020).
- 6.3. Lack of Recognition of Prior Learning:** Skills acquired through informal and experiential learning remain largely uncertified and undervalued. The absence of formal recognition limits labour mobility and progression (OECD, 2021).
- 6.4. Digital Divide and Technological Exclusion:** Technology-enabled education solutions are constrained by limited digital access and literacy among informal workers. This exacerbates existing inequalities (UNESCO, 2021).
- 6.5. Fragmented Policy and Institutional Frameworks:** Education, labour, and entrepreneurship policies often operate in silos. This fragmentation weakens coordinated upskilling interventions for the informal sector (ILO, 2022).
- 6.6. Financial Sustainability of Social Enterprises:** Education-focused social enterprises face challenges in balancing affordability with operational sustainability. Limited access to patient capital constrains scale and impact (Defourny & Nyssens, 2010).
- 6.7. Quality Assurance in Non-formal Education:** Ensuring consistent quality across decentralised and community-based training programmes remains difficult. This affects credibility and outcomes (UNESCO, 2022).
- 6.8. Gender and Social Inequalities:** Women and socially marginalised groups encounter additional barriers to skill access. These intersecting inequalities persist within informal economies (UNDP, 2020).
- 6.9. Limited Scalability of Context-specific Models:** Highly localised social entrepreneurial models face challenges in replication across diverse regions. Contextual dependency limits scalability (Mair & Marti, 2006).
- 6.10. Inadequate Impact Measurement:** Robust frameworks for measuring long-term skill and equity outcomes are often absent. This constrains evidence-based policy and programme design (World Bank, 2021).

7. Conclusion:

This study establishes education-led social entrepreneurship as a critical institutional response to structural skill inequities within the informal economy. By integrating capability-oriented education with socially embedded entrepreneurial models, such interventions facilitate levelling the field beyond redistributive policy measures. Education emerges as a transformative mechanism for enhancing human capital, employability, and worker agency, while social enterprises function as intermediary actors aligning skills with livelihood realities. The analysis further underscores the need for coordinated policy frameworks linking education, labour, and entrepreneurship. Persistent challenges related to access, recognition, scalability, and sustainability remain. Overall, the paper advances a coherent conceptualisation of upskilling as a developmental process underpinning inclusive and resilient economic outcomes.

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