

MSRI SUMMER SCHOOL:

**Creating Sustainable Decent
Work Conditions for the
Informal Sector workers in
India**

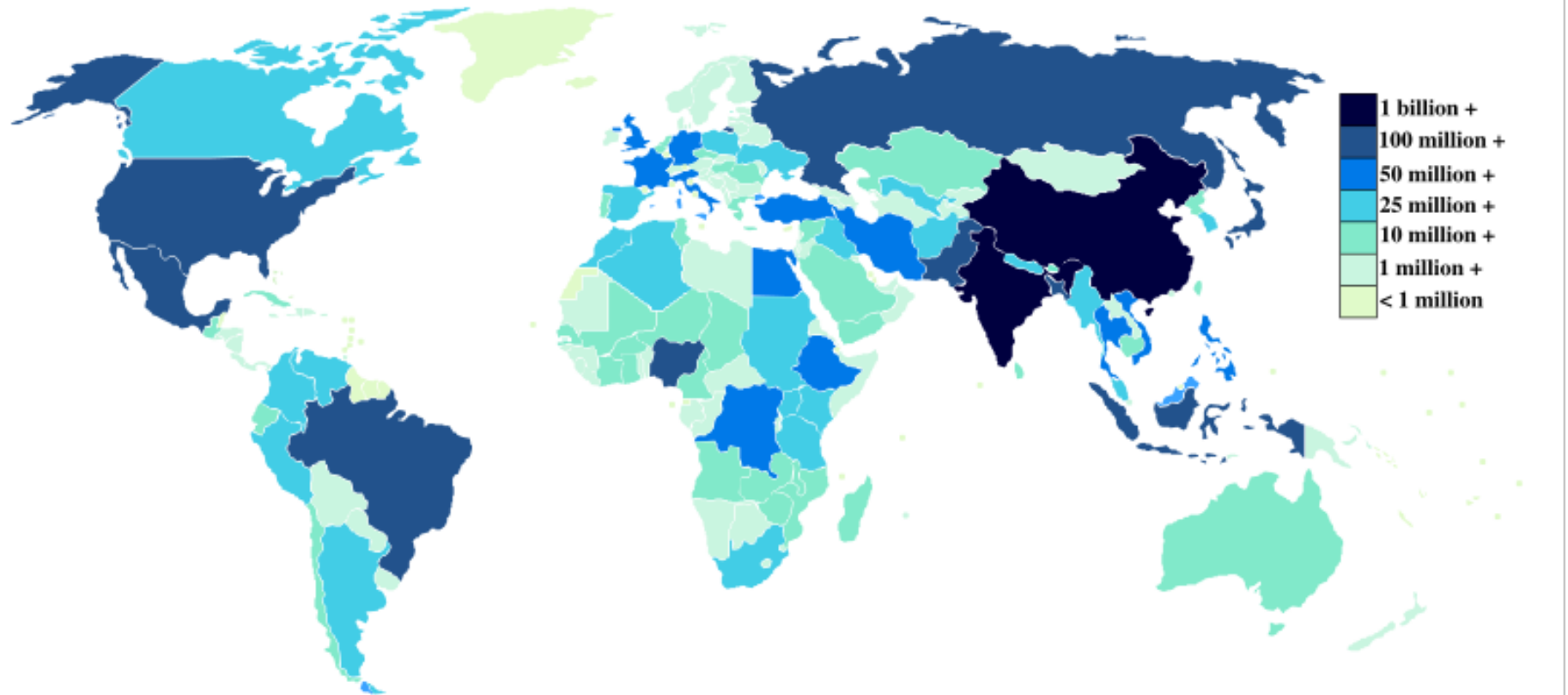
The logo for LabourNet features the word "Labour" in white text on a black rectangular background, followed by the word "Net" in black text on an orange rectangular background.

LabourNet

Service sector market place for a
micro-entrepreneurs and workers

Global Population

6.7 Billion people





India's Population 1.3 billion

Mumbai population 21 million

Bangalore population 7 million

Age Demography of population (millions)

Year	<15	15-64	65+	Total
2000	361	604	45	1010
2005	368	673	51	1093
2010	370	747	58	1175
2015	372	819	65	1256
2020	373	882	76	1331

India – recent numbers

- **GDP (PPP)** \$5.21 trillion (PPP) (2008 est.)
- **GDP growth** 9.6% (2006/07)
- **GDP per capita** \$978 (nominal); \$2,659 (PPP)
- **GDP by sector** agriculture: 19.9%, industry: 19.3%, services: 60.7% (2006 est.)
- **Inflation (CPI)** 12.01% (26 July 2008)
- **Population**
 - below poverty line** 25% (2002 est.)
- **Labour force** 509.3 million (2006 est.)
- **Labour force**
 - by occupation** agriculture: 60%, industry: 12%, services: 28% (2003)
- **Main industries** textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, services

Context of informal sector labour

- 450 million informal sector workers
- 92% of the total workforce is informal sector
- 22 million construction workers
- In 1991, 39 million people migrated to urban areas
- Over 70% of the GDP is from urban centres
- A 2007 report by the state-run National Commission for Enterprises in the Unorganised Sector (NCEUS) found that 65% of Indians, or 750 million people, lived on less than 40 rupees per day, with most working in the "informal labour sector with no job or social security, living in abject poverty"



The basis for LabourNet

- Large migration from rural to urban areas and into each other
- Many services /employment will be short term life cycle (no full-term employment) and employers do not invest in skill training in any significant way
- The traditional sense of collective bargaining will not work for informal sector workers – they need alternative forms of social protection
- Technology and ICT based solutions can be leveraged
- Informal sector workers have little or no skills
- Most of the vocational training is focused on post school client
- Most workers do not receive any training
- Financial and health services for urban informal sector workers is almost non-existent



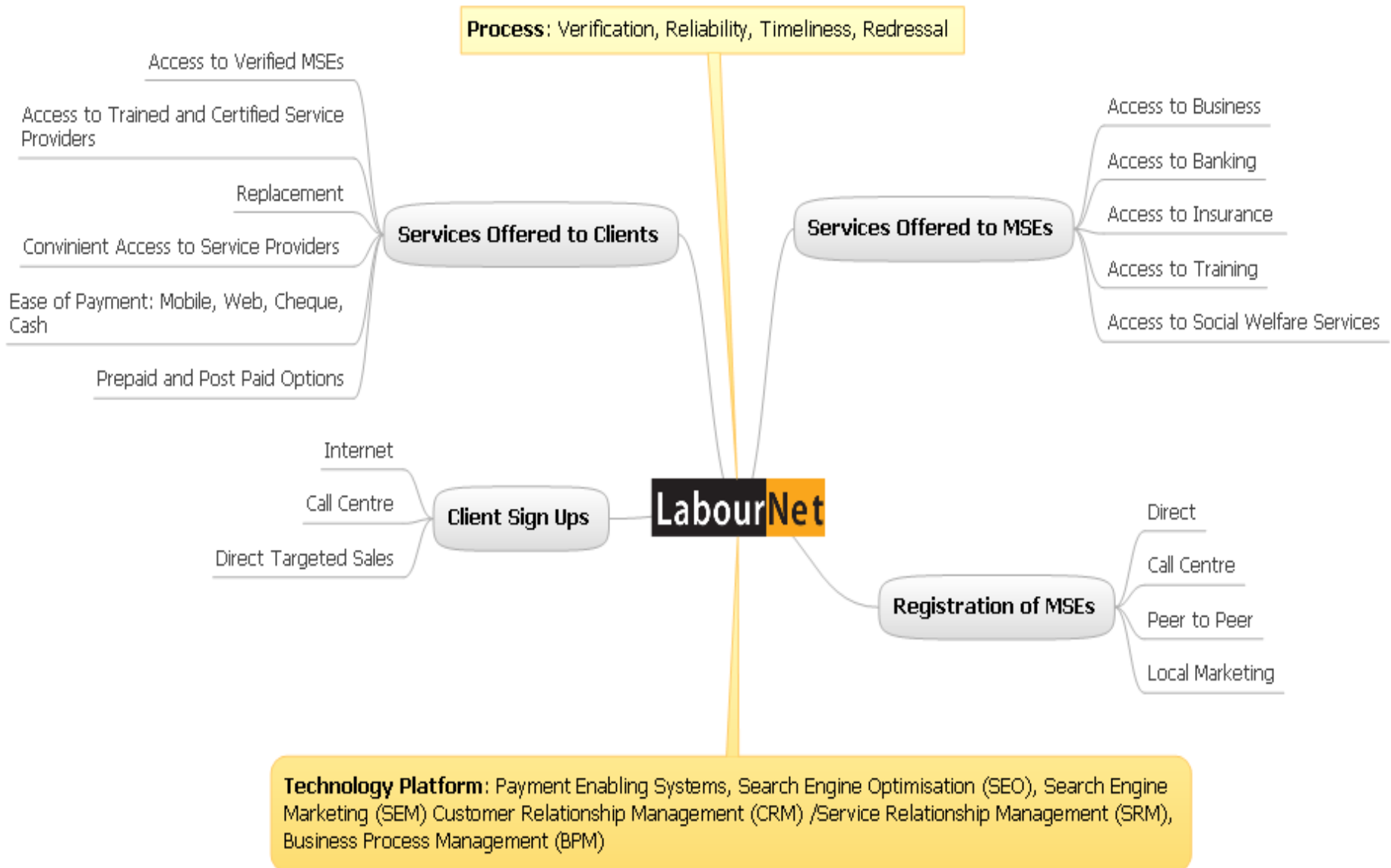
What does LabourNet hope to achieve

- Improve employability (employment)
- Improve incomes
- Training / Skills
- Access to health /accident cover
- Financial services
- Social services (ECCE, Literacy, Housing, Tools, etc)

What market problem are we trying to solve

- **Finding service providers for home, corporate and construction Projects**
 - Home and corporate infrastructure repairs, maintenance, modifications and new projects
 - Domestic help for home, facility maintenance workers for small and large businesses
 - Drivers, gardeners, nannies, etc.,
- **Offer increasingly trained service providers who can deliver quality service**
 - All repair and maintenance and Project workers will be trained in higher and higher level of complexity
 - Domestic workers will be trained in house keeping
 - Likewise drivers, gardeners, cooks, nannies will be trained appropriately in modules for increasing complexity of service

What will the venture do?





Micro-entrepreneur



Project Execution



Client

Micro-entrepreneur contacts the client and informs CC of decision

CC contacts the micro-entrepreneur

gives requirement

captures client feedback and updates worker profile



Coordination center (CC)

Market Potential

- Service providers
 - There is an estimated informal sector working population of 12.6 million in seven cities
- Middle income groups
 - An estimated 8.5 million households are in the middle income group (above 300,000 INR)
- Offices, Hospitals and Schools
 - There are more than 3 million small and medium businesses in the seven cities in India.

Value created

- For the micro entrepreneur
 - Average 50% increase in overall incomes
 - Improved skills and opportunity for growth
 - Access to ready information on jobs
 - Better access to financial and social services
- For the Client
 - Improved access to reliable services
 - Large number of competitive service providers to choose from
 - Easy payment options

THANK YOU