

CSEND FORUM:

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



UNIVERSITÉ DE GENÈVE

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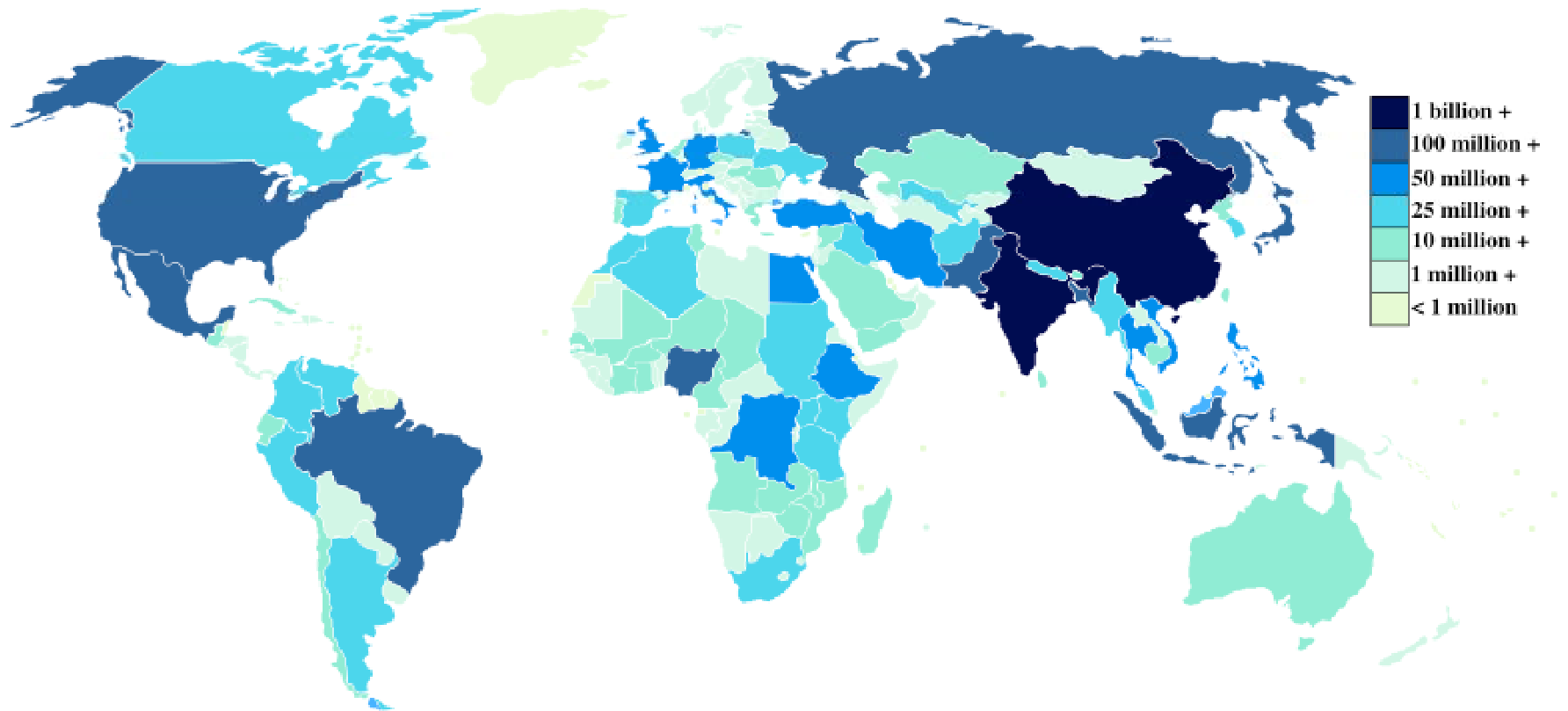
The logo for LabourNet is a horizontal rectangle divided into two equal halves. The left half is black with the word "Labour" in white, and the right half is orange with the word "Net" in black.

LabourNet

Service sector market place for a
million 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 20 rupees per day, with most working in the "informal labour sector with no job or social security, living in abject



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)
- 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 get in training
- Financial services for urban informal sector workers is non-existent

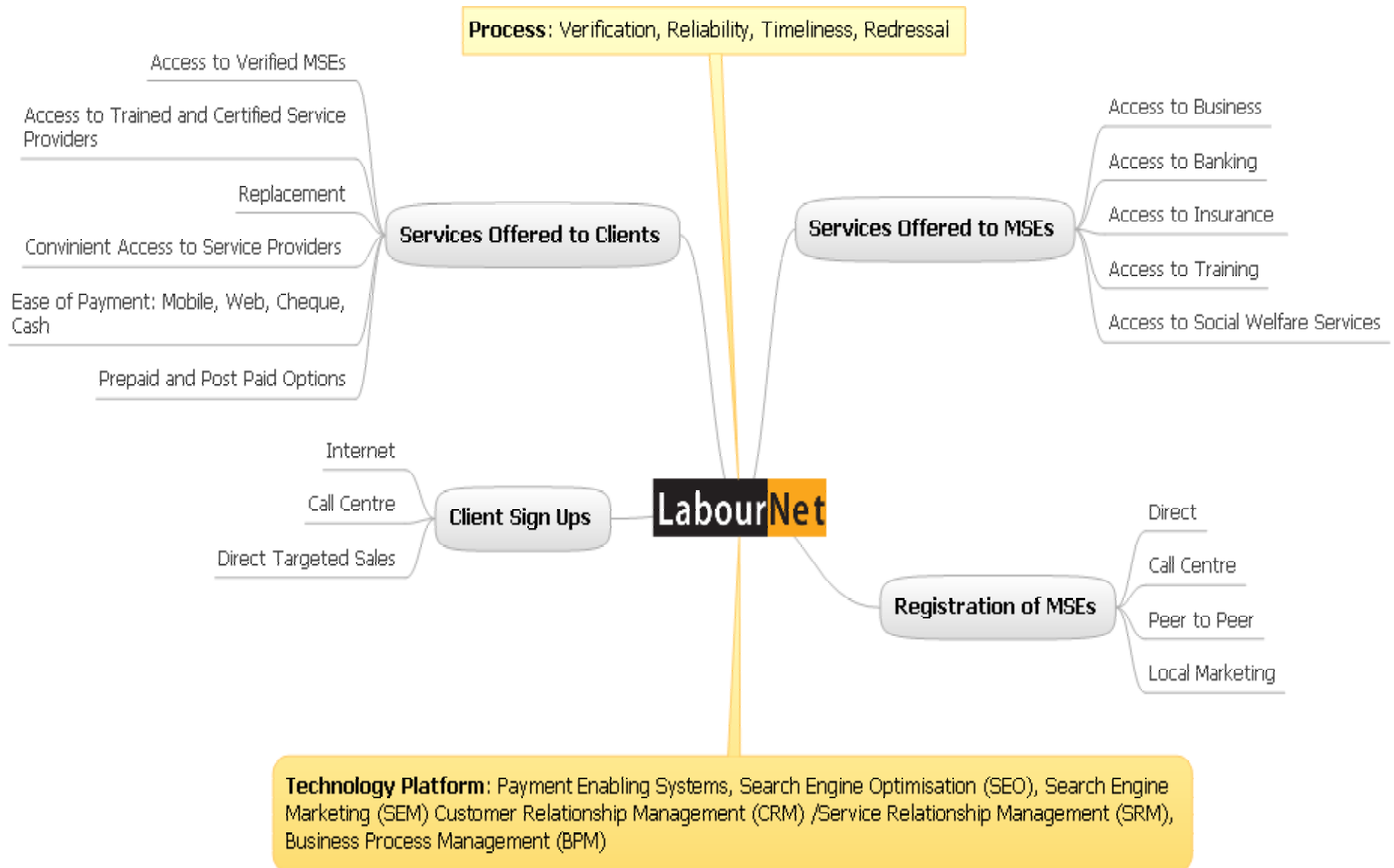
What does LabourNet hope to achieve

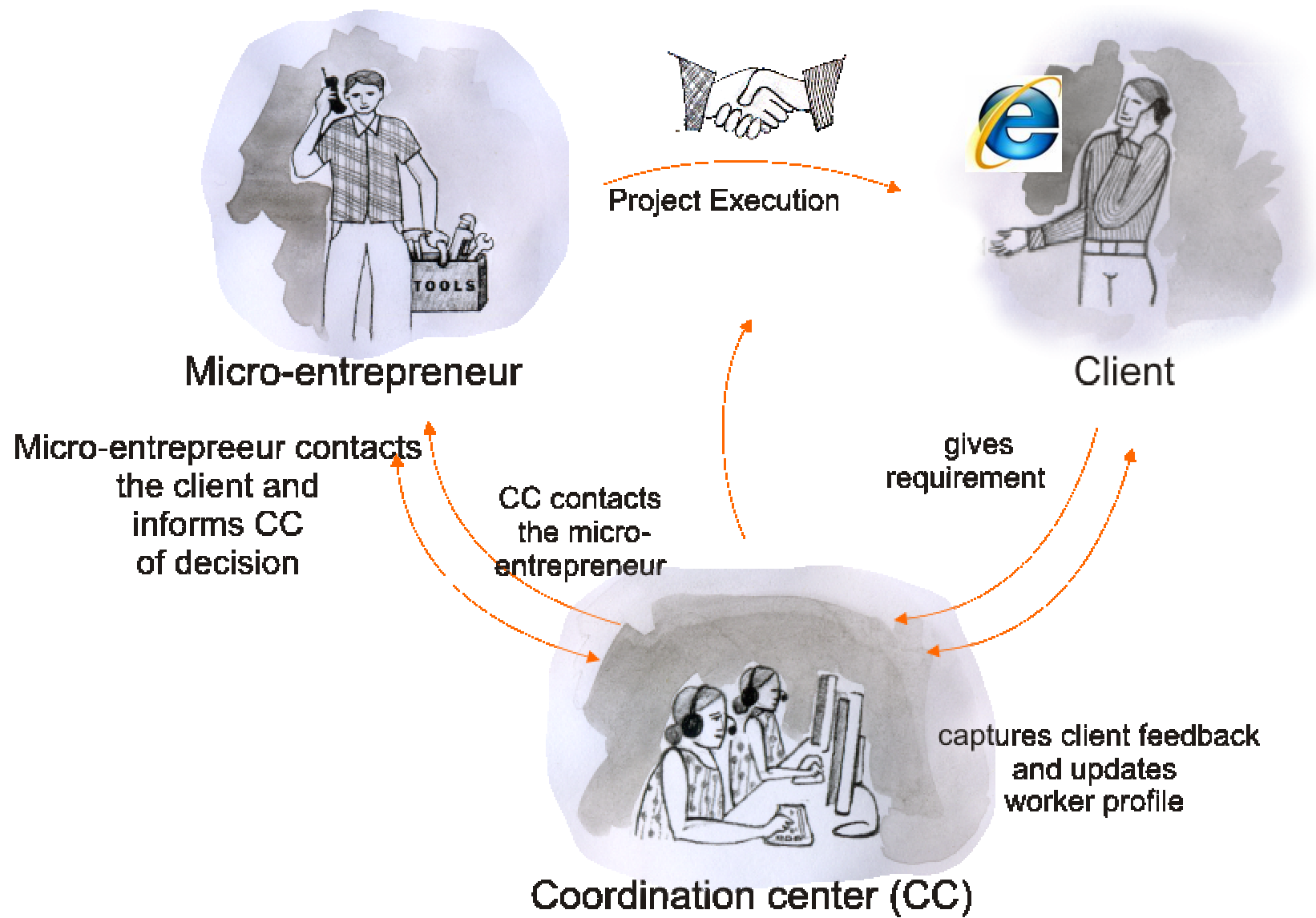
- Improve employability (employment)
- Improve incomes
- Training
- Access to health /accident cover
- Financial services

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?





Revenue Model

 <p>The image shows a grey 'Starter Account' card for 'service@home'. It features the 'labourNet' logo in blue and orange, the text 'Rs.1000/-' in the top right, and 'service@home' in the center. Below the text is a barcode with the numbers '4513 4137 43432' underneath. At the bottom right, it says 'STARTER ACCOUNT'.</p>	<p>A starter account sold to home users to service repairs involving, plumbing, electrical work, carpentry, masonry, etc. Staffing services for domestic maids, drivers, gardeners etc</p>
 <p>The image shows a grey 'Starter Account' card for 'service@business'. It features the 'labourNet' logo in blue and orange, the text 'Rs.5000/-' in the top right, and 'service@business' in the center. Below the text is a barcode with the numbers '4513 4137 43432' underneath. At the bottom right, it says 'STARTER ACCOUNT'.</p>	<p>A starter account sold to business users to service repairs involving, plumbing, electrical work, carpentry, masonry, etc. Staffing services for housekeeping, drivers, gardeners etc</p>

PAYMENT MODES

- Pre-Paid Cards
- Post Paid Service
- Project Cost

From MSE and Customer

- Registration Fee
- Transaction Fee
- Service Fees**
- Tool and Material Manufacturers
- Web Advertisement

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

LabourNet Scale up Model



LabourNet Scale up Plan

Micro/Small

	Population	Entrepreneurs and their workers	Labour Facilitation Centres
Cities	Millions	K	
Mumbai	21	264	9
Delhi	17	214	7
Kolkota	19	239	8
Chennai	8	101	3
Hyderabad	8	101	3
Bangalore	7	88	3
Pune	5	63	2
	85	1070	36

**THANK
YOU**