



## LabourNet

Over ninety percent of India's workforce operates in the informal sector, which is characterized by low wages, unsafe working conditions, and low security. **LabourNet**, founded in 2005, is a social enterprise that works with informal sector workers to improve their earning opportunities, working conditions, skills, and security. Through LabourNet, workers have access to identification cards, accident insurance, health coverage, child care, bank accounts, and training. LabourNet connects business clients who need services in the construction, maintenance, and service sectors to its registry of informal-sector workers. Clients of LabourNet value its ethical and transparent matching practices, as well as its investment in its workers. It currently operates in Bangalore, India, and has registered 13,000 workers and 3,400 clients into its system.



## Partnership with GBF

Through a grant and long-term investment, the **Grassroots Business Fund** is working with LabourNet to expand its operations **from one to seven cities in India**, increasing its reach to an estimated 1 million workers by 2014. GBF's technical assistance is supporting the design and implementation of a comprehensive marketing plan for LabourNet, which currently uses auto-rickshaws to display low-cost advertisements. The new plan is designed to diversify LabourNet's client base and bring on additional large-scale, higher-paying clients.



## Integrating Social Impact Metrics

LabourNet's social objectives include improving the earning opportunities, working conditions, skills, and security for informal sector workers. In order to reach those objectives, LabourNet requires detailed information to determine the impact of its services on its clients. By analyzing changes in various indicators, LabourNet's management can decide how to constantly improve its business practices to best reach its social objectives.

"The survey has allowed us to obtain a wealth of information about our workers. This has allowed us to make informed decisions about our business model and workers services."

--Naveen Kumar C.R., LabourNet

GBF's technical assistance supported the development and implementation of a worker registry and a social impact metrics framework. In 2009, a GBF representative worked with LabourNet staff in Bangalore to create a practical survey-based tool to capture information about its workers. The tool is now embedded in LabourNet's operations, and surveys are completed by every new worker during enrollment and during the annual renewal process. As of February 2010, LabourNet has executed 6,429 surveys.

In the fall of 2009, LabourNet began to analyze the feedback from the worker surveys. For the first time, its management was equipped with targeted information that could improve its offerings, introduce new value-added services, and effectively market to its worker base.

In of November 2009, LabourNet found that 41% of the people surveyed had an interest in accessing loans to finance the purchase of tools. LabourNet acted on this information, establishing a partnership with Punjab National Bank to offer its workers 200 loans.

## By the Numbers

Through the information in the worker surveys, LabourNet is able to track a worker's progress out of poverty. The survey tracks direct indicators, such as income and productivity, and indirect indicators, like personal savings and housing materials. LabourNet also tracks the outcomes of its worker services. For example, 80% of workers who received training improved their earning capacity. As LabourNet expands its loan services, it will also be able to determine its impact on a worker's income generation. The longitudinal nature of the surveys will provide data that will illustrate LabourNet's social impact on its workers.

Social Indicators - 2009	
Number of worker job placements	294
Average worker income from LabourNet per job placement	\$14
Number of workers transitioned to the formal sector	8,000
Number of beneficiaries:	8,820
People who receive child care, insurance, career placements	

## Beneficiary Snapshot

Shekar, a 35-year-old construction worker, has been a LabourNet member for two years. Of LabourNet's benefits, he most appreciates accident insurance. Without it, he would have to use an expensive money-lender to finance medical bills. Shekar is in the process of opening his first bank account through LabourNet, an opportunity that will allow him to safely store money for the first time.



### Benefits of LabourNet's Social Impact Surveys:

- LabourNet can consistently gauge the demand for new value-added services for its workers. As a result of the surveys, it partnered with a local bank and is offering loans to its workers.
- Over time, LabourNet will be able to track its social impact on its workers. This will allow it to attract additional donor funding and social investment capital as it expands to seven cities in India.