



# ► Social Protection in Action: Building Social Protection Floors for All

2022

## *India: LabourNet – opening doors to social protection and the formal labour market*

### Summary

LabourNet helps workers belonging to India's massive informal economy receive information, get effective access to social protection, and improve their position in the labour market.

LabourNet is a social enterprise for workers in the Indian informal economy. It helps them develop sustainably by creating equitable access to social protection, improving employability, and increasing financial inclusion.

From vocational education interventions in over 300 schools for 2.1 million students to training 5,000 apprentices across the country, LabourNet's interventions connect the unemployed to work opportunities and the under-employed to skilling opportunities. Its efforts to improve access to decent

housing and quality healthcare have impacted a million lives across India.

Through its combination of social protection, skills development, certification, and employment services to informal economy workers, together with access to financial services, LabourNet is a concrete example of how to combine policy approaches to facilitate the transition from the informal to the formal economy. Further assessment of the LabourNet experience will be important in the context of the Global Accelerator on Jobs and Social Protection for Just Transitions.

LabourNet promotes social inclusion, including of persons in the informal economy, improves coherence across institutions responsible for the delivery of social protection, and was developed in consideration of a diversity of methods and approaches, three guiding principles of the Social Protection Floors Recommendation, 2012 (No. 202).

### Social Protection Floors Recommendation, 2012 (No. 202)

SDG 1.3 aims to implement nationally appropriate social protection systems and measures for all, including floors, and by 2030, achieve substantial coverage of the poor and the vulnerable.

Social protection floors (SPFs) guarantee access to essential health care and basic income security for children, persons of working age and older persons.

187 countries have adopted the Social Protection Floors Recommendation, 2012 (No. 202), to achieve universal social protection.

LabourNet has an innovative approach to vocational training and utilises hybrid learning and vernacular micro-learning. Training and certifying workers equips them with a sense of identity, social location, and self-dependency. It further promotes financial inclusion by facilitating access to bank accounts, welfare schemes, and self-help groups. Where employment poses a challenge, LabourNet promotes entrepreneurship. Having created over 1.3 million livelihoods to date (encompassing both jobs and self-employment), LabourNet aims to reach ten million workers by 2027.

## Main lessons learned

- India faces a significant skill gap and a vast informal economy. Solving both these problems at scale to enable social and financial inclusion calls for an integrated, holistic, technology-enabled approach.
- Without access to health and housing, it becomes challenging for workers to access decent work and benefit from growth opportunities. Improving the primary healthcare system, creating innovative solutions to the housing problem, and ensuring these are accessible is essential
- LabourNet is a single-window approach, which supports worker identification, the delivery of social protection benefits, skills development, evaluation, certification, and post-training assistance such as establishing employment connections, catalysing enterprise growth, and providing access to financial services.
- A community-based strategy is vital to create awareness on available social protection schemes and pathways into the formal economy.

## Why is LabourNet important in the Indian context?

LabourNet Services Private Limited was founded in 2005 as a social venture to support government programmes, address structural flaws, effectively reach out to the working poor, and alleviate skills deficits of informal economy workers. Its one-stop platform was developed to enable workers in the informal economy to access benefits and services, including worker identification, social protection, training, job help, assessment and certification, and financial services. The National Skill Development Corporation and the National Vocational Education Qualification Framework of India support LabourNet, validating its efforts.

The Unorganised Workers Social Security Act of 2008 and many other sector-specific Welfare Acts by the Indian Government address the lack of access to social security in the country's massive informal economy. However, due to the absence of worker identities and the resulting lack of access to social and financial services, reaching out to the bulk of informal workers proved challenging.

India's rapidly growing economy has coincided with a dramatic increase in skills shortages and has developed a

vast and vulnerable informal sector. 92.4 per cent of workers are "undocumented" (meaning without a signed contract, paid leave, or other benefits). In the organised sectors, 9.8 per cent of the workforce consists of informal workers, illustrating the extent of outsourcing. Informal workers may become trapped in an exploitative cycle of low-wage occupations if they do not have access to employment services, social protection, health and safety, or certified training.

LabourNet helps semi-skilled and low-skilled workers enter pathways to promising careers, gain access to social protection, and avail better employment terms and conditions.

## What does LabourNet do?

LabourNet uses a paradigm known as the "4E Ecosystem", which aims to support workers via education, employability, employment, and empowerment. By becoming part of LabourNet, beneficiaries get an identity as certified employees, their interests are represented, and they have access to existing state-sponsored social protection programmes including health and accident insurance schemes.

## Formalisation of labour

When informal labour is not recognised, workers miss out on state-provided security. With 384 million informal workers in the economy, creating suitable space and opportunities for this section of society becomes essential. LabourNet taps into new pockets of the informal economy and connects them to opportunities in the formal economy across the country.

A holistic approach ensures that intervention takes place at the right points. One such intervention is the Recognition of Prior Learning (RPL) programme. It is a programme that analyses the gap between what a worker knows and what the industry demands. Based on the results of this analysis, the programme offers bridge courses to close the gaps, if any. If no gaps are identified, the RPL programme helps the workers attain a certification that can be recognised and utilised to increase their wage, security, and stability. The success of the RPL programme is widely recognized, and its model has been adopted by several other government agencies in the country.

Another way to empower workers is through apprenticeship programmes. LabourNet rolls out special programmes to provide an earn-while-learn opportunity to

workers. This supports them financially while allowing them to hone their practical skills by being on the field.

By intervening at the right junctions, LabourNet links the doorways of labour to social security. Its apprenticeship and RPL programmes enable it to effectively increase workers' bargaining power in the labour market. Where opportunities for employment are scarce, LabourNet encourages and supports community-based entrepreneurship.

## Health as a service

The pathway to quality life passes through better healthcare opportunities. LabourNet operates at scale, keeping in mind the three-tiered Indian healthcare infrastructure: primary (health centres and sub-centres), secondary (sub-district hospitals and community health centres), and tertiary (multispecialty hospitals and medical colleges). The pandemic accelerated the utilisation of healthcare services, necessitating the need to ensure infrastructure development and service provisioning.

From empowering Accredited Social Health Activists and community workers to improving access through telemedicine, LabourNet has worked to strengthen the first and last mile of healthcare. It does so by bridging knowledge, skills, and technological gaps; increasing community awareness; providing better infrastructure; and streamlining the patient experience across the three silos of the healthcare system. LabourNet also works to improve immunisation coverage and reduce the burden of communicable disease. Its efforts during the COVID-19 pandemic saw over 800,000 lives impacted directly and 5,000,000 lives impacted indirectly.

To date, LabourNet has helped workers in its network gain access to over 300 million Indian rupees (US\$3.9 million) in formal social security benefits, encompassing a provident fund, pension fund, and health insurance coverage.

## Decent living conditions

LabourNet recognises that, if not protected, a lack of access to decent housing can turn into a roadblock, separating workers to better opportunities. In India, two-thirds of the population lives in poverty, with 68.8 per cent living on less than US\$2 a day. Over a third of the population lives on less than US\$1.25 a day, qualifying them as poverty-stricken. The lack of employment at liveable wages contributes further to poor living conditions with inadequate drinking water, waste disposal, and electricity access.

LabourNet's innovative models of partnership with corporates enable it to establish co-funded housing interventions. Eco-friendly, re-usable, modular, hygienic, and low-cost housing projects for construction workers have been successful and are now ready to scale across the country.

## Education for all

LabourNet provides industry-specific vocational training, evaluation, and certification. The training is conducted in multi-trade skills training livelihood centres as well as remotely through their virtual e-learning platform.

LabourNet overcomes the difficulties of reach and relevance in Technical Vocational Educational Training using vernacular content and instructor-led blended training programmes. Teacher training is also one of the primary priorities of LabourNet when it comes to education. It provides professional and sensitivity training to teachers and ensures vulnerable students are taught in an effective and appropriate manner.

By intervening early, right at the secondary school level, LabourNet ensures that school dropouts have an option to learn as they earn through apprenticeship programmes.

## What impact has LabourNet had so far?

LabourNet has spread across the country to 23 states and 5 union-territories, where it collaborates with local communities to identify and register employees in the informal sector. It provides them with identification, financial inclusion, and social protection coverage. The success of its efforts is based on its connections with potential employers and the facilitation of internships, apprenticeships, contract jobs, and entrepreneurial guidance. For example, LabourNet's work with various Boards of Construction Workers have created access over 300 million rupees (US\$3.9 million) in benefits till date.

It has linked more than a million workers with work opportunities. Its steps to formalise vocational education and training have grown to over 50 bachelor's in vocational studies programmes in various educational institutions, over 500,000 people skilled and assessed, 5,000 training sites, and over 150 livelihood centres.

## What's next?

The mismatch between the skills and practical experience of workers in the informal economy and those sought by employers in the formal economy has long been neglected in India. LabourNet's efforts have highlighted the need to acknowledge and address these mismatches. Its significant impact in the Indian labour market has required substantial financial inputs and sector investments to incur training, skill enhancement, and social protection. The biggest challenge, so far, is getting match-funding from the industry to increase labour security.

LabourNet's pioneering efforts in RPL have now been established as national practices. It was also one of the first actors to begin vocational education interventions in schools, which has also now become national practice. Similarly, LabourNet now hopes to see its models for worker housing and entrepreneurship be adopted at the national level.

To achieve its ambitious goal of connecting 10 million Indians to work opportunities by 2027, LabourNet aims to improve awareness among beneficiaries, stakeholders, and the industry. Further integration and validation utilising a blended form of work-based learning can help LabourNet meet its goals to impact the education, skilling, housing, and entrepreneurial development of millions of Indians.

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