



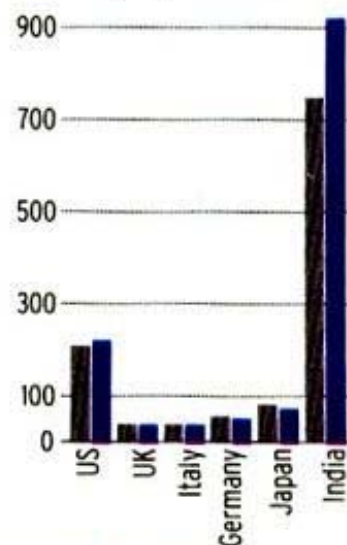
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Labour Market: The Next 10 Yrs

The first decade of this millennium saw the acceleration of India's four labour market transitions;

farm to non-farm, rural to urban, unorganised to organised employment and subsistence self employment to decent wage employment. The next 10 years will not only see an acceleration of these transitions, but a maturing of their consequences for employers, employees and policymakers. The "youthification" of corporate India means that the *mai baap* world of employers—which wanted employees to bend at the knee rather than exercise their mind—will be replaced by flatter structures, faster promotions and the end of lifetime employment. This new relationship will increase demands for backpack benefits that are portable, change training patterns and move all compensation into a cost-to-company structure. Migration will continue to change the geography of work as we rapidly increase the number of cities with more than a million people (today that is 34) and rapidly reduce the number of villages with less than 200 people (today there are 2 lakh of them). Reforms will create competition in education that will finally move the focus of learning from living to earning. The returns to skill will increase and consequently the privatisation of skill development. But while some of this grass will grow at night while the government sleeps, radical progress requires a strong policy will to take on the vested interests in our current employment and employability regime.

India's Demographic Edge



■ 2008 ■ 2020 (Projections)
Figures are working age population (15-60 years) in million
Source: NASSCOM Perspective 2020