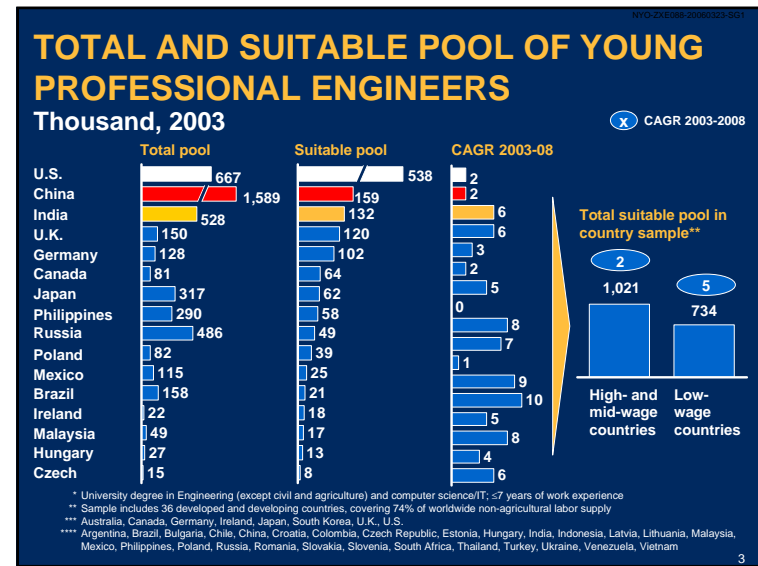
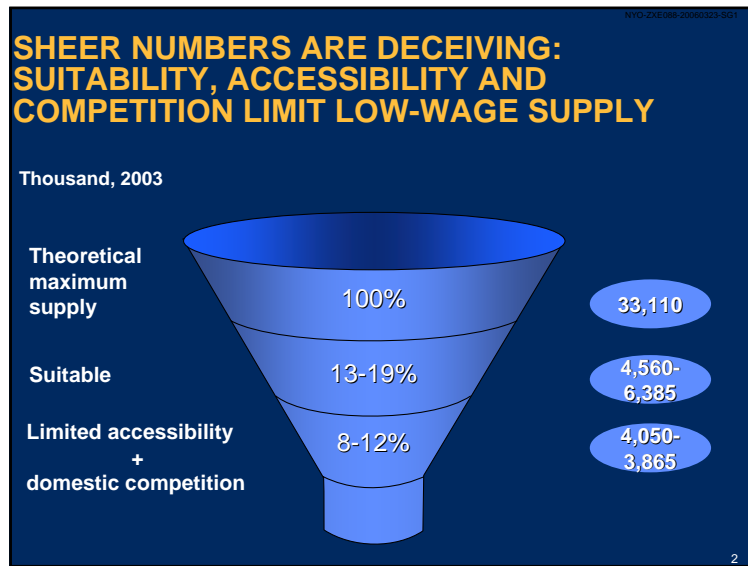
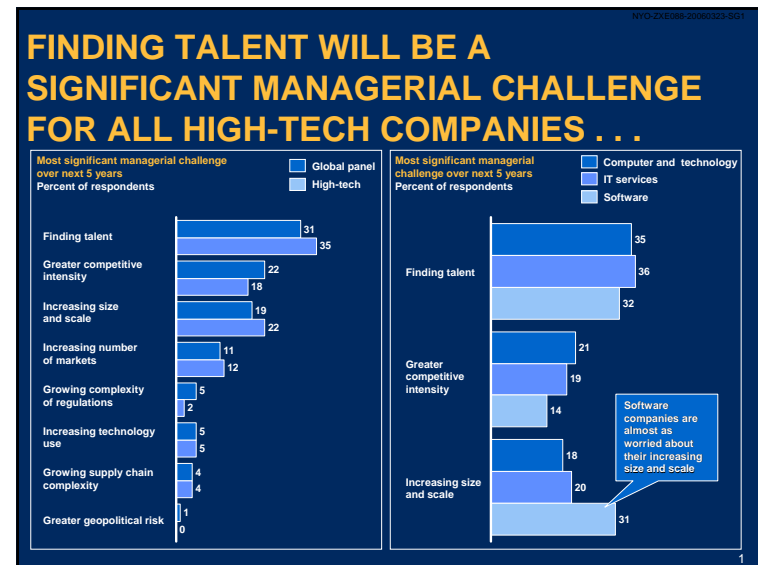


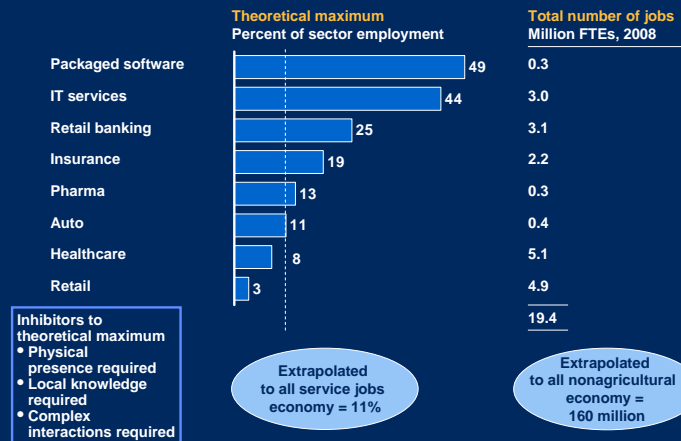
McKinsey Global Institute

## CHINA, INDIA AND THE EMERGING GLOBAL LABOR MARKET FOR IT AND R&D TALENT

Lenny Mendonca  
Februrary 23, 2007



## 11% OF WORLDWIDE SERVICE JOBS COULD BE PERFORMED REMOTELY

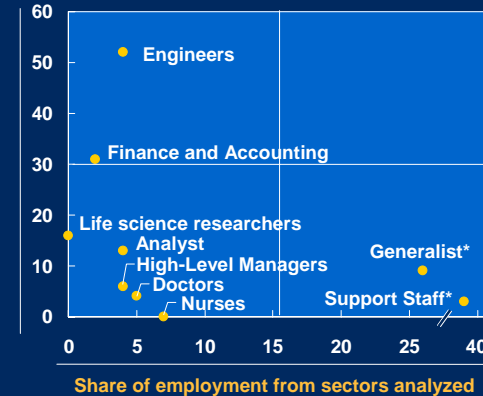


4

## OCCUPATIONS MOST AMENABLE TO GLOBAL RESOURCING

Percent, 2003

Global resourcing potential per occupation; weighted average

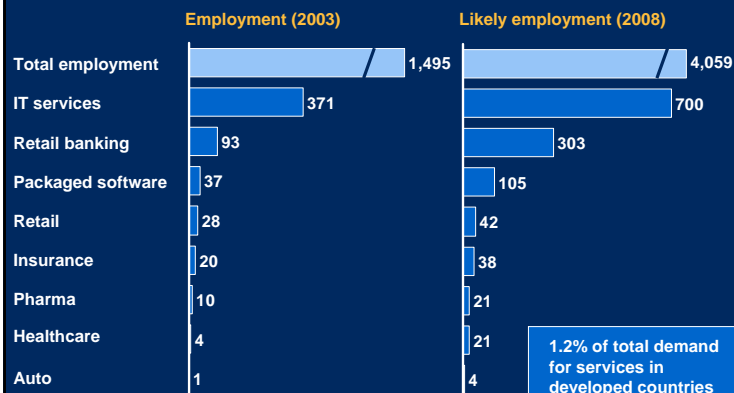


\* Generalist accounts for 36% and support staff accounts for 39% of employment in sectors analyzed

5

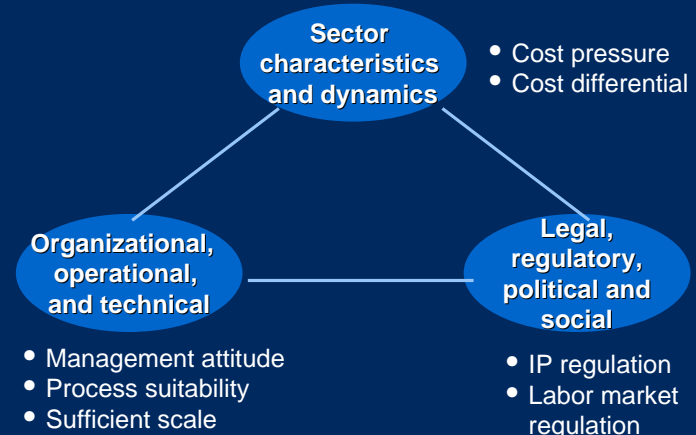
## OFFSHORING WILL REMAIN MODEST OVER THE NEAR-TERM

Thousands of jobs



6

## FACTORS THAT INFLUENCE DEGREE OF ADOPTION



7

## POLICY CHALLENGES FOR THE U.S.

- Ensure attractiveness of the U.S. as an offshoring location (on factors other than cost)
  - Enhance productivity leadership through global competition and competitiveness
  - Build on strengths: market potential, vendor landscape, policy environment and risk profile
  - Upgrade quality of infrastructure broadly
  - Address liability and escalating costs of healthcare to employers
- Grow and nurture engineering pool and other high-value added occupations through education initiatives
- Facilitate the difficult change, expanding participation and easing dislocation while maintaining labor market flexibility
  - Tax credits to employers for retraining
  - Continuing education grants
  - Portable insurance and pensions
  - Wage loss insurance