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NDTV.com

Impact - International

Day – Tuesday

Date – July 14, 2009

Boston Analytics' survey finds decrease in job security

The Indian economy may well be on the road to recovery but employment outlook remains weak as 52 per cent respondents surveyed last month noted a decrease in job security against 48 per cent in May, research firm, Boston Analytics, said.

"The job market in India has been sending some mixed signals in recent months. Sentiment related to job security on an observed basis has fallen again in the last month, reaching its lowest level since August 2008," according to Boston Analytics' monthly Consumer Confidence Survey.

"In the June survey, approximately 52 per cent of surveyed respondents observed (compared to 12 months ago) a decrease in job security compared to 48 per cent in the May survey," it said.

Export-oriented sectors such as gems, jewellery, textiles and leather have seen large-scale lay-offs triggered by the global economic downturn.

Sectors like information technology, construction, aviation, financial services and real estate that contributed to India's nine per cent GDP growth also saw significant retrenchment, the survey said.

"On the expectations front, about 22 per cent respondents (surveyed last month) feel unemployment will decrease in the next 12 months compared to 19 per cent in the May survey," Boston Analytics said.

"However, companies appear optimistic about business conditions and are expecting domestic demand to grow, it added.

"Sectors such as FMCG, food and beverages, banking, retail, energy, infrastructure, and pharmaceuticals have witnessed an upswing in hiring activity," Consumer Confidence Survey said.

It said that while sentiment about India's unemployment continues to be pessimistic, there has been some improvement in the last month.

About 24 per cent respondents observed a decrease in unemployment in June compared to 21 per cent in the previous month, the survey said.

"Positive sentiment about the nations macro-economic outlook has translated into optimism about creating alternative means of employment," it said. Close to 43 per cent respondents felt it would be easy to create alternative means of employment in the event of a job loss, the survey added.

Boston Analytics surveyed 10,000 respondents across 15 cities, including Delhi, Mumbai, Kolkata and Chennai.