**NSSO survey finds COVID-19’s second wave hit informal economy hard**

India’s large informal non-agricultural sector was badly hit by the second wave of the COVID-19 pandemic, but has recovered gradually since then, with the number of unincorporated firms and their employees rising almost 6% and 8%, respectively, by the latter half of 2022-23, according to findings of an official survey.

Gross Value Added (GVA) by such enterprises grew by 9.83% at current prices during the period October 2022 and March 2023, in comparison with the financial year 2021-22, as per a fact sheet on the Annual Survey of Unincorporated Sector Enterprises (ASUSE) conducted by the National Sample Survey Office (NSSO) in 2021-22 and 2022-23.

“It appears that the unincorporated manufacturing, trade and other service activities were hit by the second wave of the pandemic badly; however, the situation improved gradually from July 2021 onwards,” the NSSO noted.

‘Lower reporting’

During April-June 2021, at the peak of the most fatal COVID wave, the number of estimated informal enterprises were pegged at 50.32 lakh, with 85.6 lakh workers. By contrast, surveys carried out between January and March 2022 estimated 1.91 crore such firms with 3.12 crore employees. The NSSO said the lower reporting in the first quarter affected the overall annual estimates for 2021-22 of 5.97 crore firms with almost 9.8 crore workers, to a great extent.

‘Steep job growth’

Between October 2022 and March 2023, the number of estimated informal firms had risen to 6.5 crore with 11 crore employees. “This 7.84% annual growth [in jobs] demonstrates the sector’s capacity to generate employment,” the NSSO said, adding that the maximum growth in employment during the period was observed in other services (13.42%) followed by manufacturing (6.34%).

The survey data, released by the Statistics Ministry on Friday, is used in compiling national account statistics as the country’s unincorporated non-farm sector plays a key role in generating jobs, creating economic value and the overall socio-economic landscape.