

Impact of COVID-19 on Informal Manufacturing Sector: A Case Study of Wearing Apparel Enterprises in Assam

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Abstract

The present study is about the critical impact that COVID-19 had on the Informal Wearing Apparel Manufacturing Enterprises (IWAME) in the economy of Assam and the coping up strategies that these entrepreneurs adopted. The most visible impact that COVID-19 had on majority of the IWAME was loss of income and employment. Categorising the degree of the impact in terms of a binary magnitude like 'large impact' and 'small impact', our analysis shows the explicit disproportionate impact of the pandemic on the IWAMEs. The findings revealed that variables such as type of ownership, savings and financial aid are positive and significant in explaining the probability of enterprises having a large impact. As a coping up strategy, strengthening of social safety nets and incentives to reduce operating costs of enterprises have been prioritised highly by entrepreneurs as compared to public assistance programs for skill development and financial support.

Keywords: Informal sector, informal manufacturing sector, wearing apparel manufacturing sector, COVID -19, economy of Assam.

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