



Microenterprise Mela-2

Variations in employment & productivity in India's diverse microenterprises

A knowledge product by M-CRIL using data from a national-level public survey

Mega-analysis using 2023-24 data

15 August 2025



Analysis for Knowledge Sharing

This document is an M-CRIL knowledge product using ASUSE 2023-24 data and M-CRIL's microenterprise experience. It follows the analysis of ASUSE 2022-23 data presented in the first document in this Microenterprise Mela series. This analysis is for the information and benefit of socio-economic development activities in India. It does not have any sponsor(s) other than M-CRIL.

More focused and detailed analyses to follow as separate documents:

- USE – state wise – overall numbers and contribution to state economies
- USE – main types and features
- USE – additional gender analysis
- USE – business accounting and financial inclusion
- Overall conclusions, implications for future action

Disclaimer: ASUSE data has been provided by MoSPI for analysis of the status of microenterprises in India by research institutions and by other users to support understanding of the economy at the “bottom of the pyramid”. **The data is not for commercial use** and cannot, therefore, form the basis for paid research or consultancies.





M-CRIL and its team for this document

M-CRIL's administrative head office is located in New Delhi but its team is spread all over India. Locations include New Delhi, Mumbai, Gurgaon, Patna, Goa, Hyderabad, Bengaluru, Bhilwara, Guwahati, Hazaribagh, Indore, Jalpaiguri, Kochi, Mirzapur, Siliguri, Sitamarhi and Namchi (Sikkim). M-CRIL has a branch office in Phnom Penh, Cambodia and works regularly in various countries of South Asia, Southeast Asia, the Pacific and in parts of Africa.

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Thanks also to the M-CRIL senior team – Frances Sinha, Ashok Kumar, Sudhir Narayan, Tirupathaiah Namani, Ratika Kathuria – for their constant support in M-CRIL's work and their understanding of microenterprises in India and other countries over many years.





Acronyms/abbreviations

ASUSE	Annual Survey of Unincorporated Sector Enterprises
FTE	Full-time Equivalent
GVA	Gross Value Added
HWE	Hired Worker Enterprises
mn	million
MoSPI	Ministry of Statistics and Programme Implementation
NSO	National Statistical Office
OAE	Own Account Enterprises
TSR	Taxi Scooter Rickshaw (3 wheeler)
USE	Unincorporated Sector Enterprises





Mega-analysis of USE data – contents

- 1 ASUSE data is a valuable public resource that covers a diverse canvas**
- 2 Headline numbers
 - *market size has grown considerably*
 - *and employment has expanded*
 - *but the gender ratio is rising slowly*
- 3 Summary indicators for this important sector of the economy
- 4 High growth of USE – *is it real or only a factor of better coverage?*
- 5 Sectoral distribution of USE indicates an increase in the ratio of OAE
- 6 But accelerating growth of GVA means increasing productivity of USE
- 7 Key sub-sectors for employment at the bottom of the pyramid





Mega-analysis of USE data – contents...continued

- 8 Distribution of key sub-sectors – by establishments
- 9 Retail trade, apparel, food, land transport provide substantial USE employment
...while women's employment is focused on fewer sub-sectors
- 10 ...but it has low employment intensity along with textiles & tobacco
- 11 Apparel, textiles and tobacco also have relatively low GVA
- 12 ...and much lower worker productivity [GVA per worker] than others
- 13 ...but it is sectors with low productivity that have high women's participation
- 14 While women-managed enterprises in general have much lower earnings
- 15 Retail trade disaggregation shows variations within the sub-sector
- 16 ...and contributions to GVA show the stark differences between trading activities
- 17 What have we learned...?
- 18 Where do we go from here – the entrepreneur/user perspective





Source: M-CRIL

Home based production of garments (left) and cycle repairing (right) are key livelihoods for millions of families





1 ASUSE data is a valuable public resource that covers a diverse canvas

ASUSE was launched by NSO & MoSPI in 2021-22

This Mega Analysis presents insights from the data of ASUSE 2023-24

ASUSE 2023-24 covered the rural and urban areas of the whole of India (except Andaman & Nicobar Islands)

Unincorporated non-agricultural establishments are segregated into three sectors, **Manufacturing, Trade, & Other Services** in ASUSE 2023-24

Survey sample, 498,000 establishments

in the unincorporated non-agricultural sector covered by ASUSE during the period October 2023 to September 2024



Source: M-CRIL

...artistic wood carving supplements family income in some locations in north India





Map of India





*...spindle filling for home based
handloom textile weaving, a
centuries-old village-based
sustainability skill...*

Source: [flickr](#)





2a Headline numbers – *market size has grown considerably*

Estimated number of USE in India (2023-24)

73.4 million

30%, 21.9 million
owned and operated by women

70%, 51.5 million
owned and operated by men

ASUSE 2022-23 ASUSE 2023-24

Growth by number of units (establishments) was **12.9%**
over the **65.0 million** USE estimated from the 2022-23 survey

Growth was **8.9%** (5.8% per annum)
over **59.7 million** USE estimated from the previous survey in 2021-22



Source: iStock

...basket weaving provides *employment* in Kerala & NE India

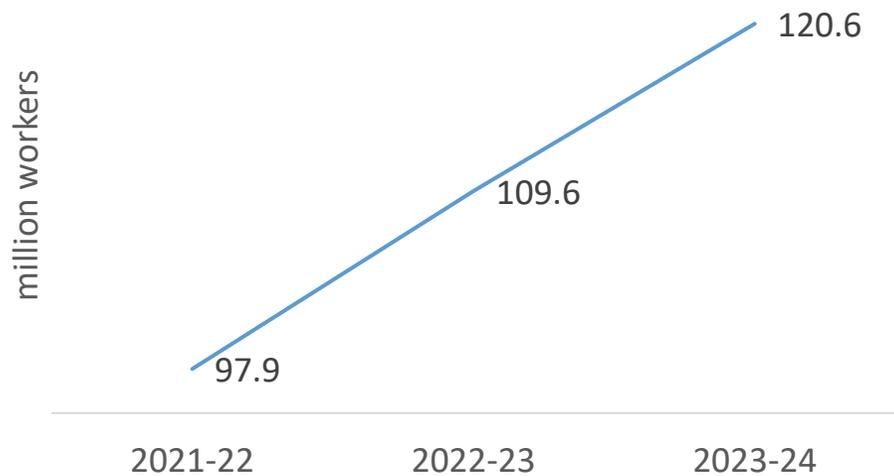


2b Headline numbers – *and employment has expanded*

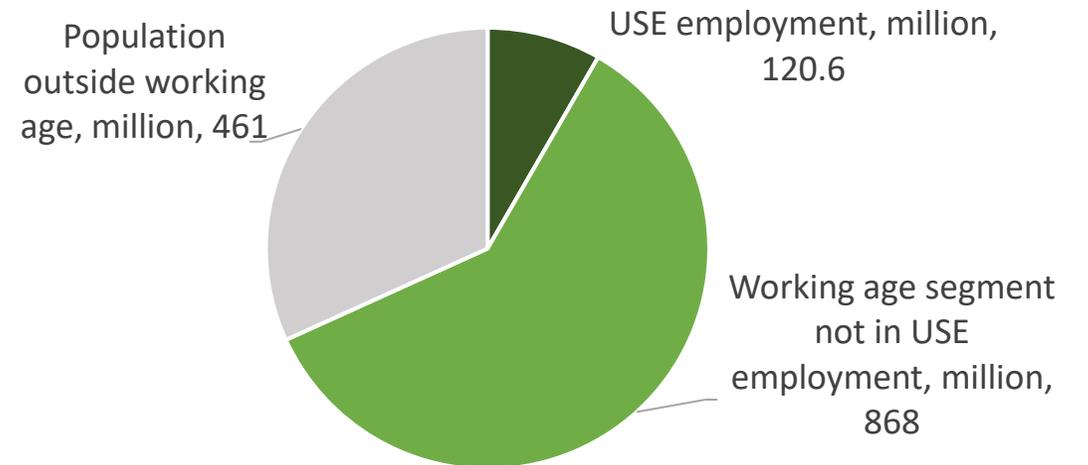
120.6 million

USE workers in India, 2023-24
115 million on FTE basis

**10% growth in USE workers
2023-24 over 2022-23**
*compared to 7.8% annualized growth over
97.9 million workers in 2021-22*



**12.2% of the potential workforce
of 989 million persons in 2023-24**
up from 11.3% of the potential workforce in 2022-23

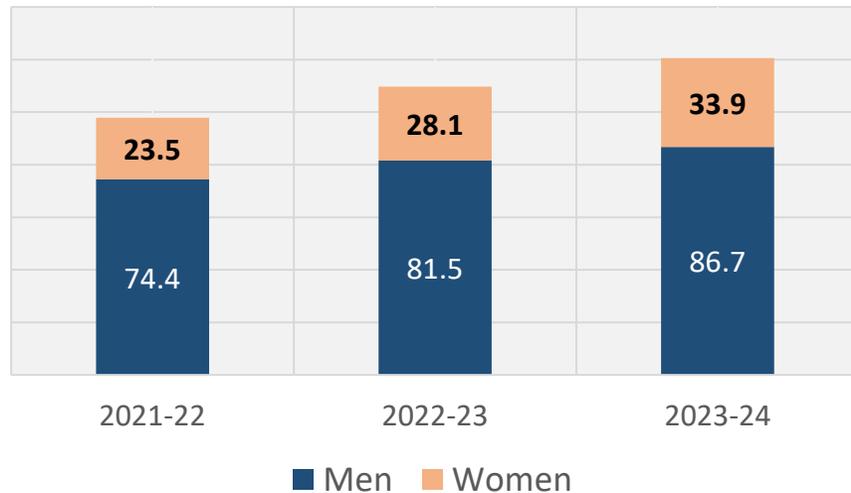




2c Headline numbers – *but the gender ratio is rising slowly*

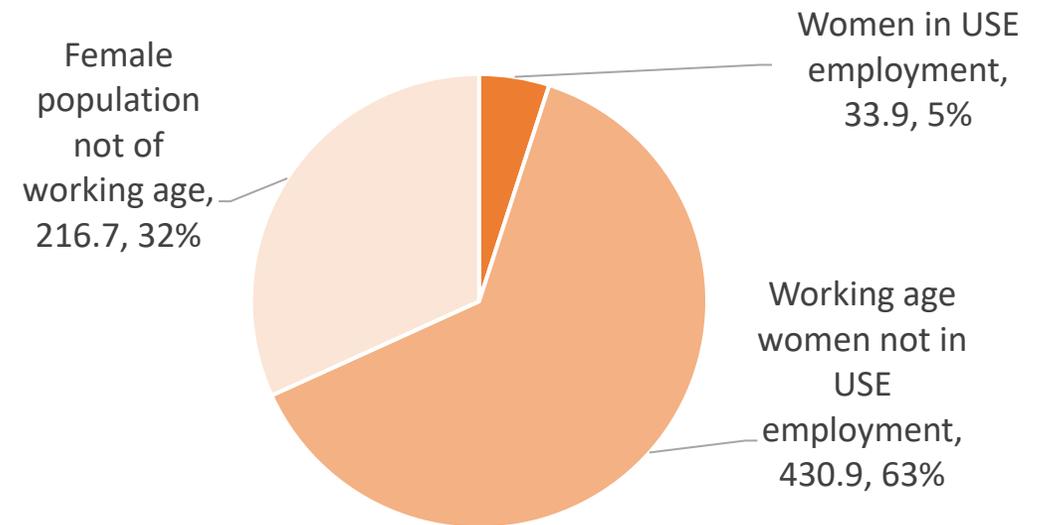
33.9 million women workers made up 28.1% of the m-e workforce in 2023-24 compared to 24.0% in 2021-22

Number of USE/m-e workers, million



Women employed by USE in 2023-24 were **7.3%** of the **465 million** potential women workers in the country

Distribution of female population in India, in millions, 2023-24





Source: M-CRIL

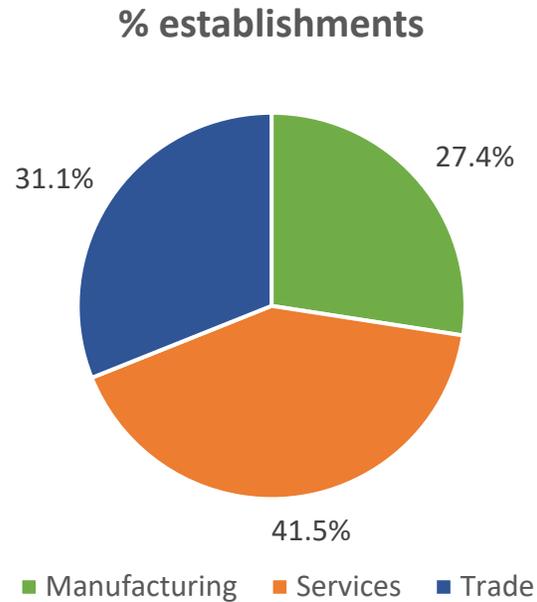
...fabrication of steel window frames and furniture supports improvements in low-cost housing...



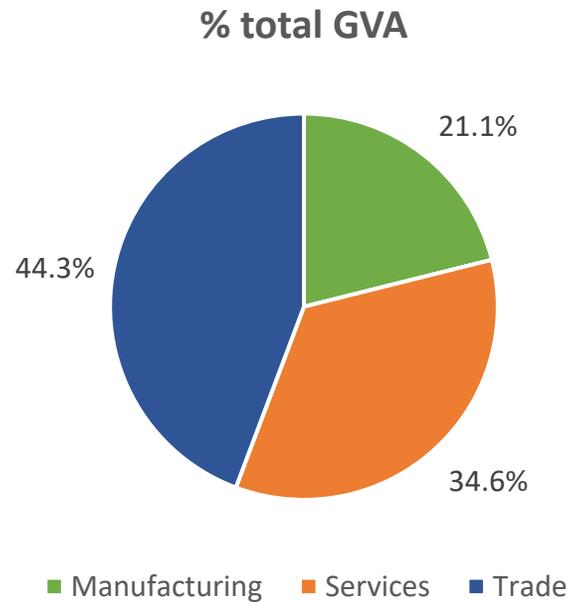


3 Summary indicators for this important sector of the economy

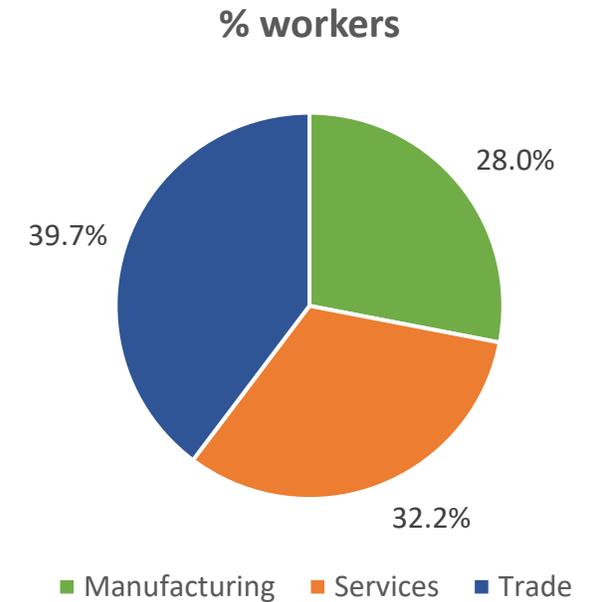
Establishments, 73 million



GVA, ₹18 lakh crore/\$212 bn



Employment, 115 million FTE



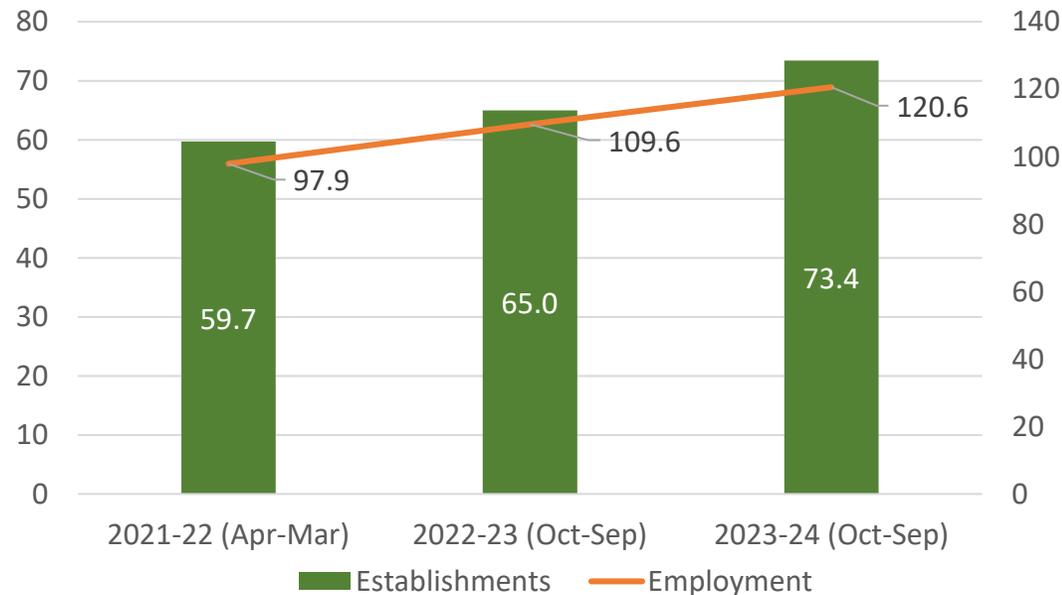


4 High growth of USE – *is it real or only a factor of better coverage?*

The number of establishments seems to have grown from around 60 million to over 73 million in 2.5 years between the 2021-22 and 2023-24 surveys.

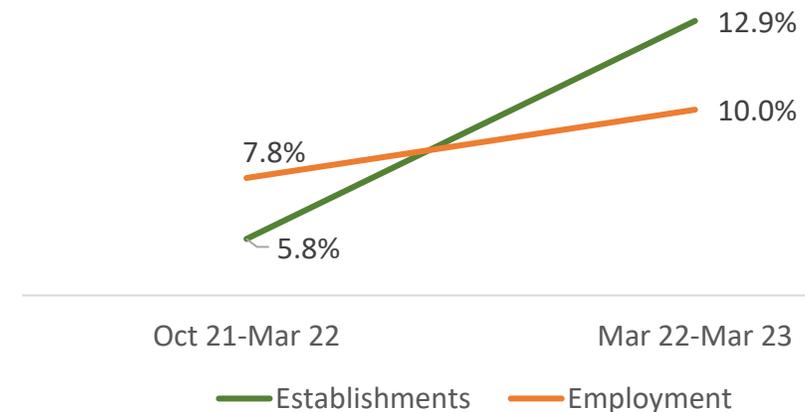
Employment by USE has increased from 98 million to over 120 million over this period.

Growth of USE – numbers



Is the high growth of establishments and (to a lesser extent) of employment a real phenomenon, or is it because of more effective coverage as the ASUSE survey team becomes more familiar with the landscape it covers? This is presently unclear but is likely to become apparent through subsequent rounds of this survey.

Change in growth rate of USE

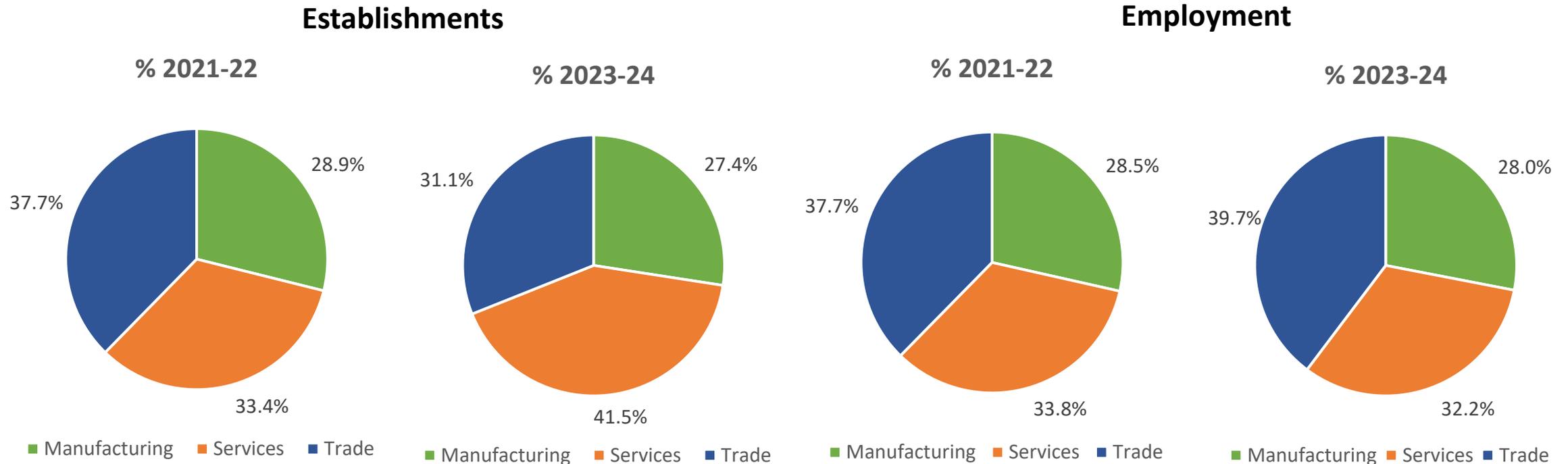


* Since these surveys are undertaken over a one-year period, growth is calculated by attributing the period data to the mid-point of the reference period





5 Sectoral distribution of USE indicates an increase in the ratio of OAE



Service sector establishments grew from 33% to over 41% over the 30-month period, October 2021 to March 2024, with service sector growth of 53% compared to overall growth of USE establishments by 23% during this time. The **trade sector was relatively stagnant**, resulting in the decline in its share of the total. Conversely, the share of service sector employment has declined slightly over this period as there has been a major growth in own account establishments (OAEs). Employment in the trade sector has grown significantly as the share of HWEs has increased.*

* to be discussed in the next Microenterprise Mela publication by M-CRIL.

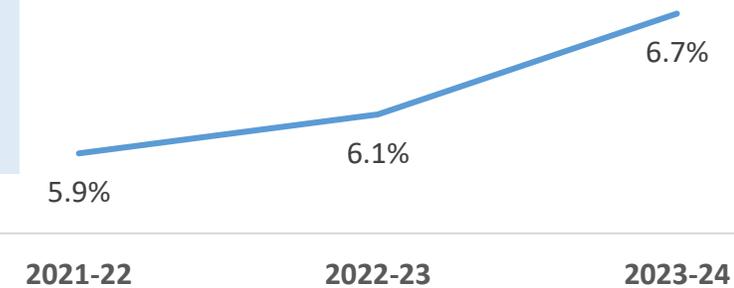


6 But accelerating growth of GVA means increasing productivity of USE

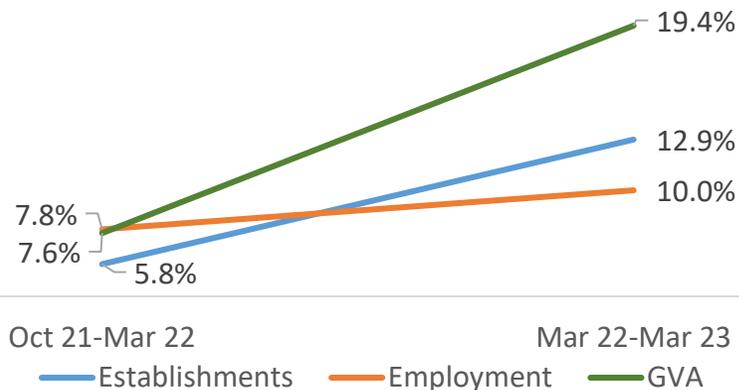
USE gross value added (GVA) is growing faster than both establishments and employment, indicating increasing productivity and to a growing contribution to India's economy, **6.7% of national GVA in 2023-24** compared to 5.8% in 2021-22. As with the national economy, the 21% manufacturing sector contribution is low; trade makes the largest contribution (44%).

GVA	2021-22	2022-23	2023-24
India, ₹000 crore	22,981	24,659	26,762
USE, ₹000 crore	1,353	1,510	1,803

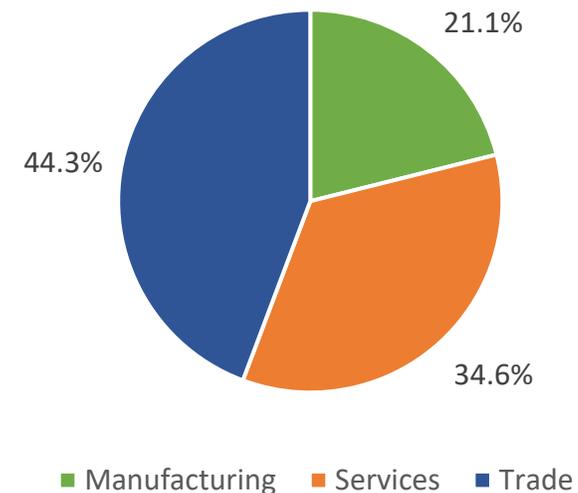
USE GVA as proportion of India GVA



USE GVA is growing faster than both establishments & employment



Sectoral distribution, 2023-24





...cobbler in a village in Mirzapur,
Uttar Pradesh...

*...a mochi (cobbler) repairs shoes
and other leather goods. Mochi's
are traditionally known for their
craftsmanship in repairing and
making footwear and other leather
items, often travelling from house
to house or setting up temporary
stalls in village/suburban markets...*

Source: M-CRIL





7 Key sub-sectors for employment at the bottom of the pyramid

*In this and the following slides **the focus of the analysis is on the major sub-sectors that are important for the employment of the least privileged segments of the population.***



...made to measure apparel in a suburban setting

The key sub-sectors covered in detail in this analysis

- Apparel – tailoring and garment production
- Textiles – weaving/cloth production
- Tobacco products – bidi rolling, chewing preparations
- Other manufacturing
- Non-metallic minerals – pottery, bricks, tiles, plaster
- Food products – milling cereals/dals, gur, pickles
- All retail trade – partially disaggregated
- Food & accommodation – dhabas, tea/coffee, juice shops
- Fabricated metal – frameworks, gates, windows, tanks
- Furniture – wood, cane, metal, plastic, mattress/pillows
- Servicing motor vehicles – mainly m/cycles, scooters
- Land transport – shared taxis, TSR, buses, road freight

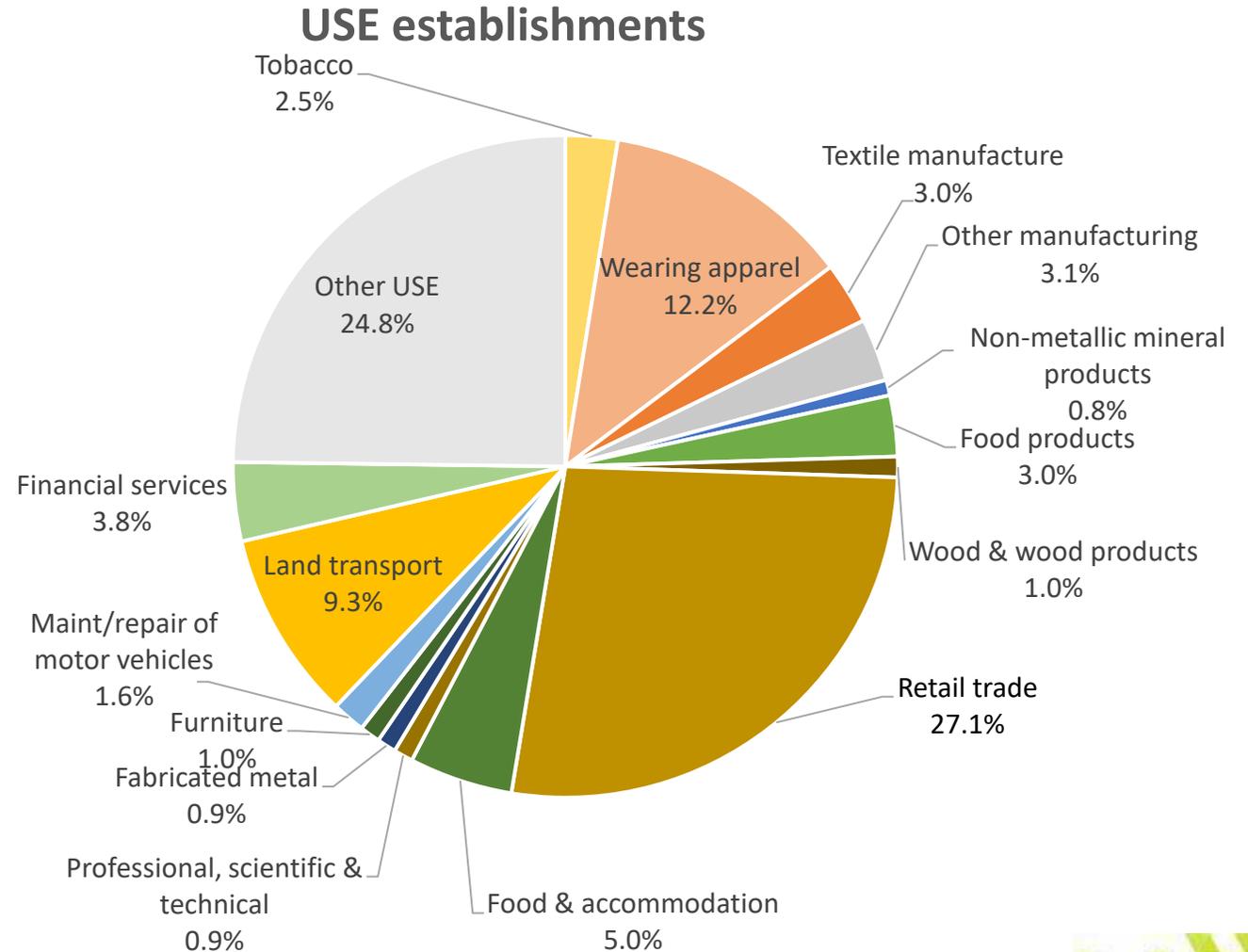




8 Distribution of key sub-sectors – by establishments

Retail trade is the largest sector in ASUSE, within which the survey incorporates a wide range of trading activities from minor grocery stores and mobile phone shops to larger pharmacies and garment shops. Data for the retail trade sector has been disaggregated into more interesting sub-sectors in later slides.

Other large sectors include wearing apparel, land transport, food & accommodation and food products. Financial services covers only SHGs and is not a part of this analysis due to its limited employment implications.





*...informal kirana
(foodgrain) store in
an open air market*

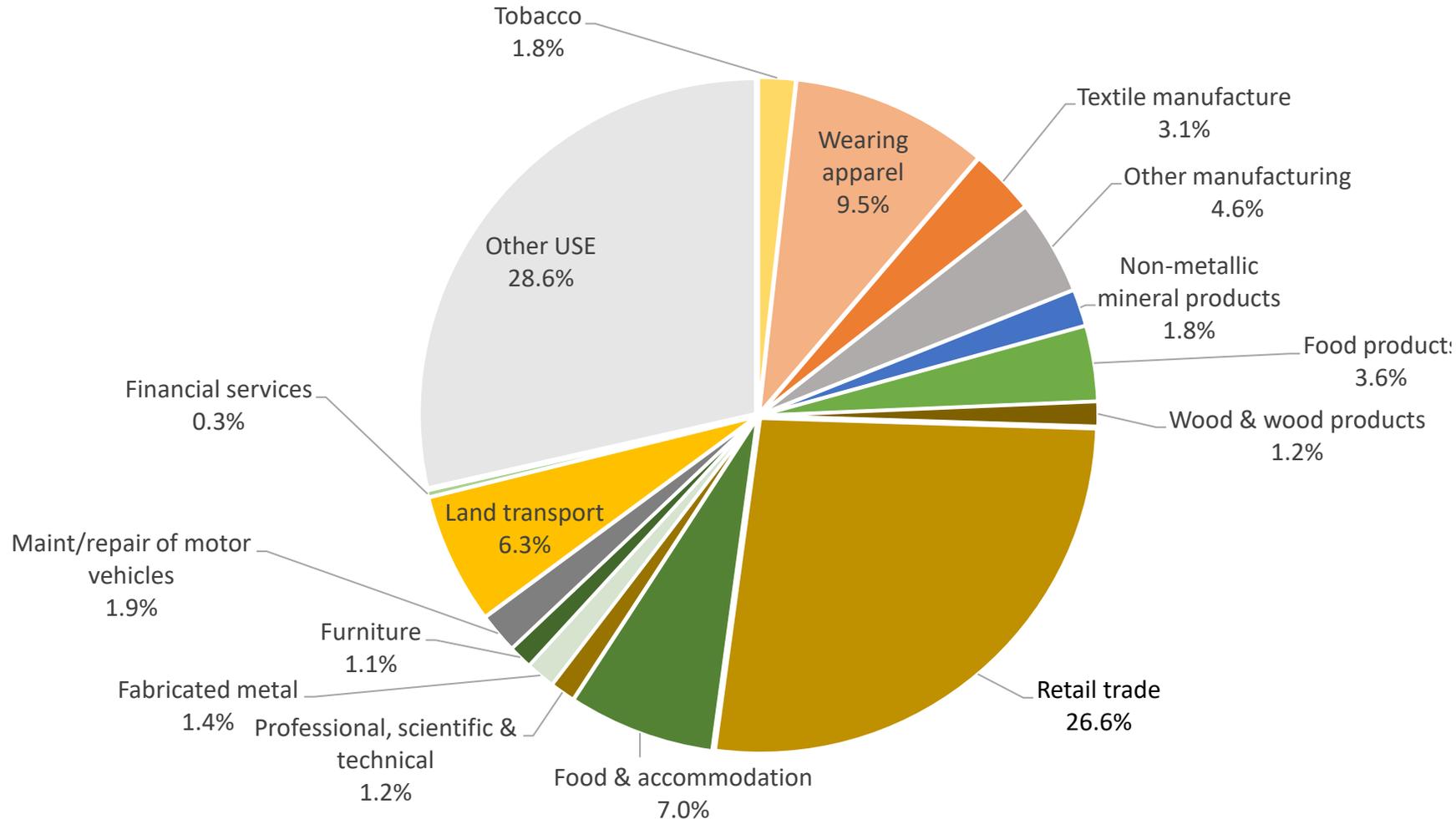
Source: [iStock](#)





9 Retail trade, apparel, food, land transport provide substantial USE employment

Sub-sectoral distribution of 120 million USE workers



Retail trade is an amalgamated category in USE (employing 30.7 mn workers on FTE basis, disaggregated in Slide 15).

Wearing apparel (garments) is the largest distinct sub-sector by employment, 10.9 million workers, of whom 7.6 mn are women.

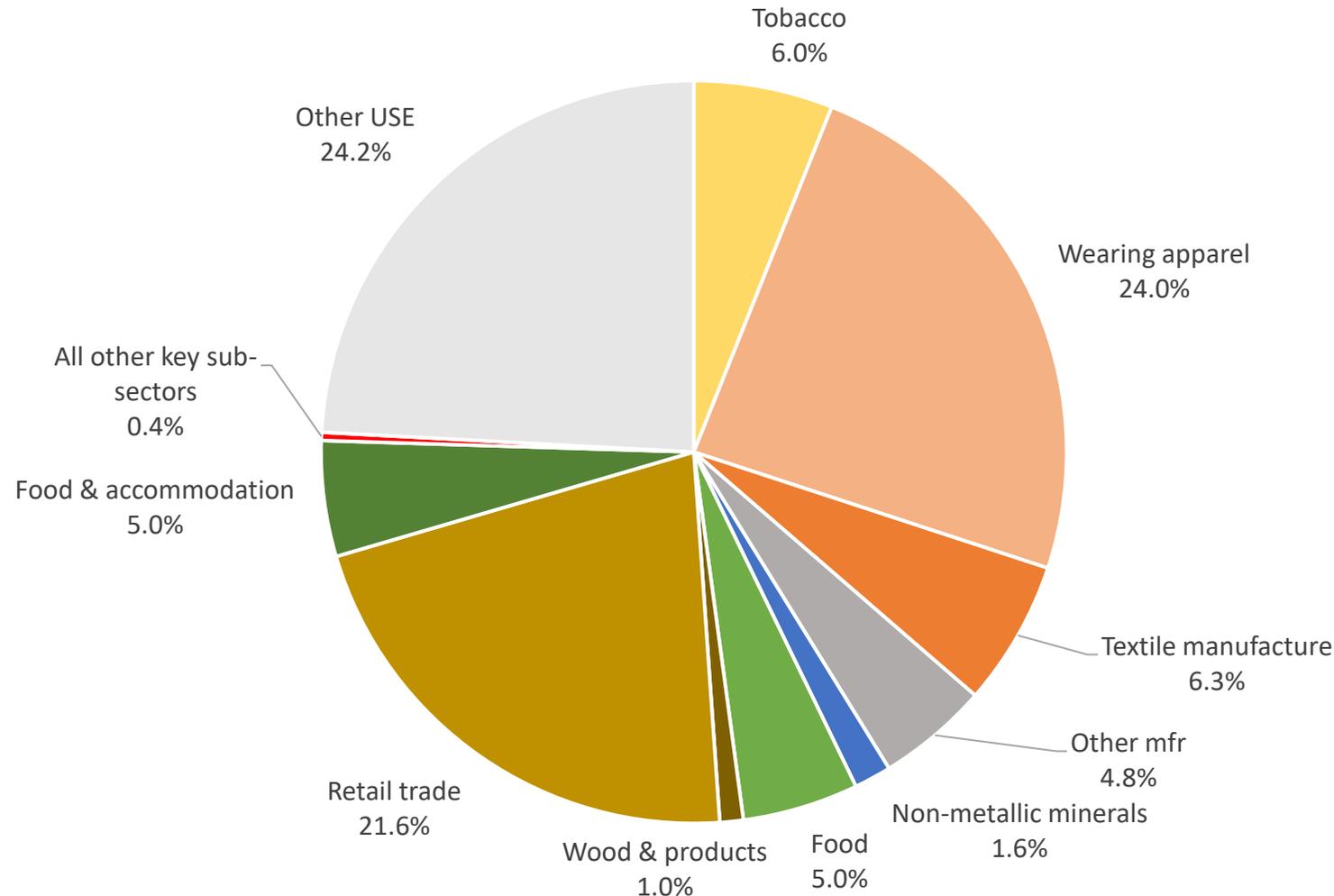
Food & accommodation – mainly tea/snack shops and street + roadside eateries – 8.1 mn workers are also major employers, as is **Land transport** – buses, scooter rickshaws, motorized carts – with 7.2 mn workers but almost no women.

Textiles and tobacco also employ large numbers of people in the USE sector (3.6 mn & 2.0 mn).



9a ...while women's employment is focused on fewer sub-sectors

...of whom, just 34 million are women



Wearing apparel (garments) is the largest sub-sector for women's employment with 7.6 mn women workers

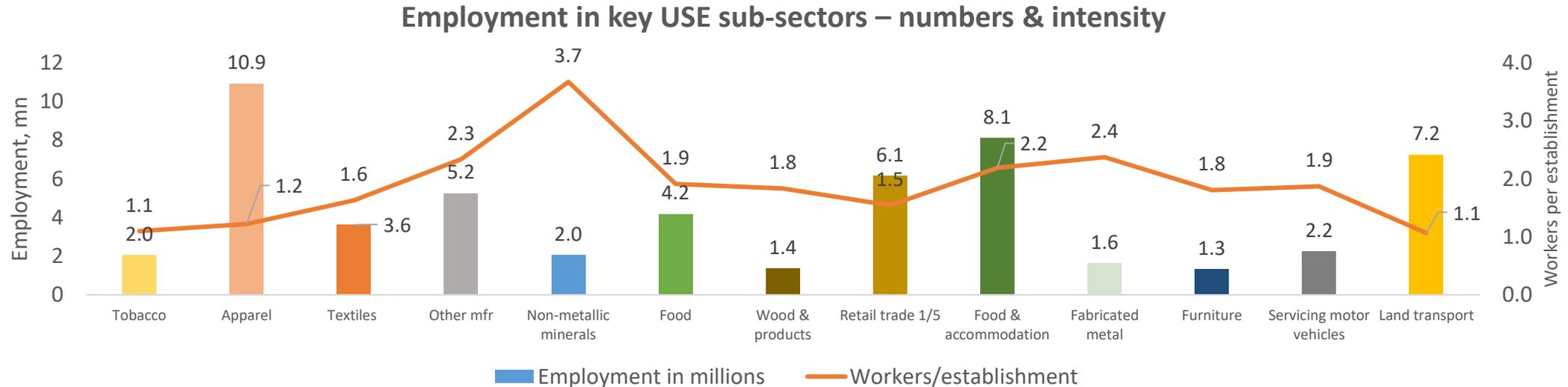
Retail trade employs fewer women (7.3 million and just 6.3 million women on FTE basis out of 30.7 mn workers)

Textiles and tobacco also employ large numbers of women (2.0 mn & 1.9 mn respectively), as do **Food & accommodation** – mainly tea/snack shops and street + roadside eateries – 1.6 mn women out of 8.1 mn workers.

Conversely, **land transport** – public transport – employs almost no women, just 16,000 out of 7.2 mn workers.



10 ...but it has low employment intensity along with textiles & tobacco



There is a moderately negative correlation between the employment provided by a given sub-sector and its employment intensity (workers per establishment). So, if employment intensity is high, it is likely that the sub-sector will provide less employment due to greater productivity – this is discussed in the next few slides. Wearing apparel, employing 10.9 million persons overall, has quite low intensity, just 1.2 workers per establishment and land transport (also a large employer with 7.2 million workers) has an even lower intensity of 1.1. Non-metallic products have the highest intensity, 3.7 workers per establishment but employ just 2 million persons (1.8% of the total of 115 million USE workers on FTE basis).

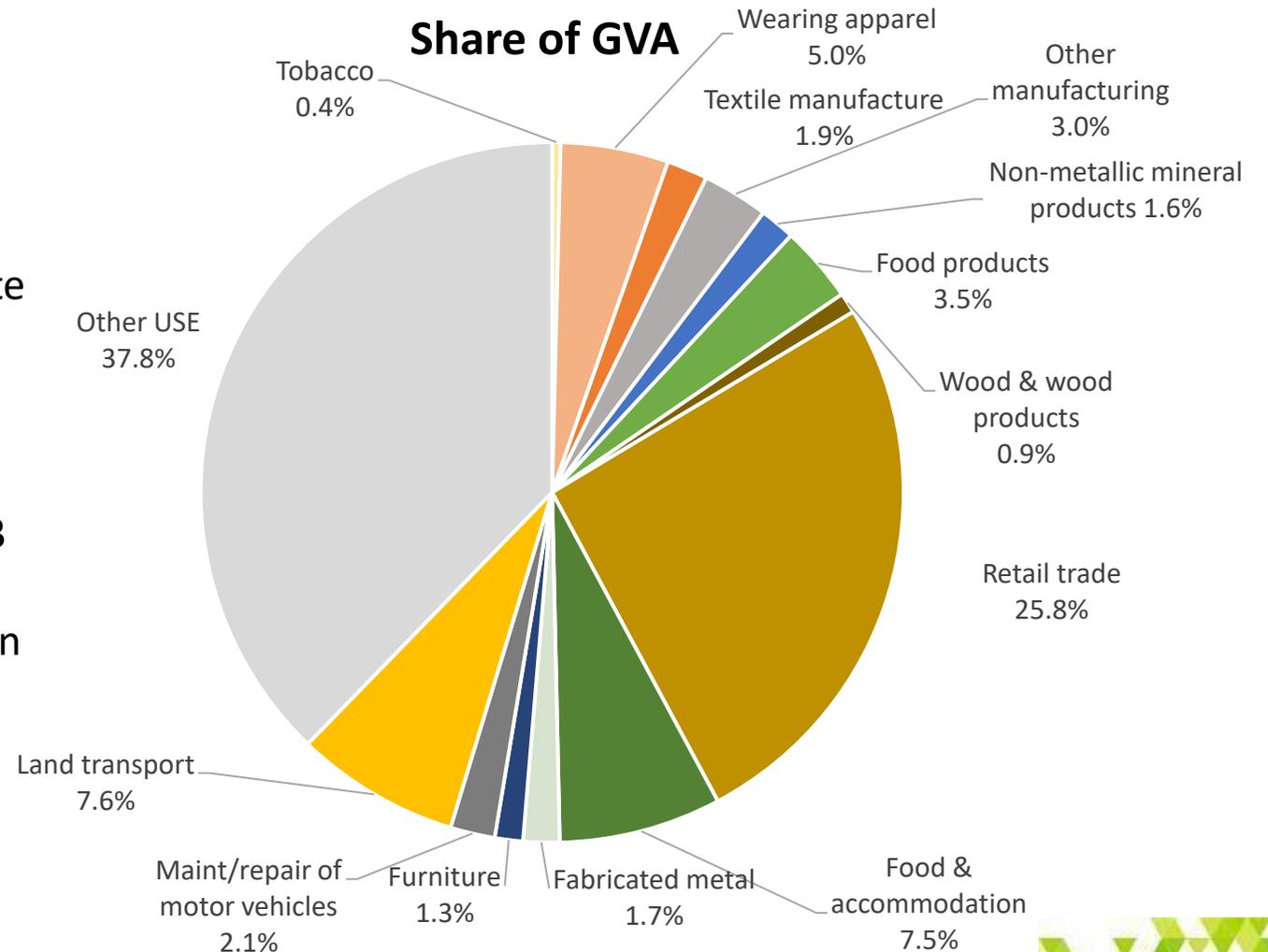




11 Apparel, textiles and tobacco also have relatively low GVA

The wearing apparel sub-sector employs 9.5% of USE workers but generates only 5.0% of GVA by USE. Of the other sub-sectors covered by this analysis, land transport (7.6% of total GVA), food/accommodation (7.5%) and food products (3.5%) are the most important. Retail trade as a composite sub-sector in ASUSE accounting for 25.8% of total GVA has been divided by M-CRIL into seven sub-sectors and is discussed in later slides.

It is symptomatic that the 64% share of the ₹1,803 thousand crore (\$212 billion) GVA contributed by the key USE sub-sectors for this analysis is less than their 71% share of 121 million USE workers (115 million on FTE basis) – indicating that even within the universe of Indian micro-enterprises represented by USE, the least privileged workers that are the focus of this study) are engaged in relatively low productivity activities.





12 ...and much lower worker productivity [GVA per worker] than others

...while some service sectors – food, land transport – do combine more employment with greater productivity

Productivity of USE workers & employment by sub-sector



Each bubble area is proportional to employment provided by the sub-sector





*...maintenance/
repair of motor
vehicles...street-side
services*

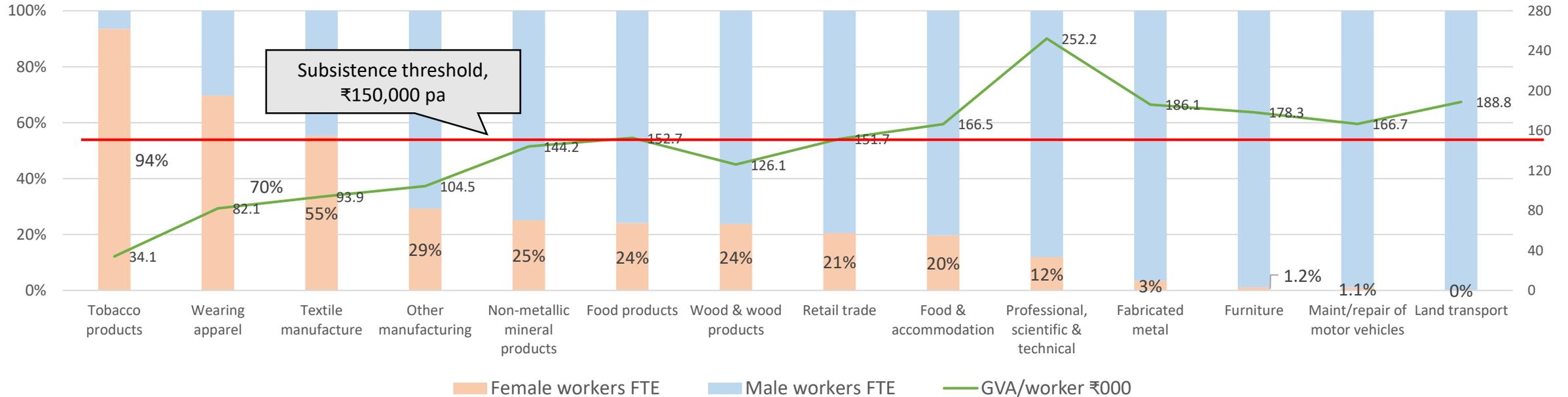
Source: [iStock](#)





13 ...but it is sectors with low productivity that have high women's participation

Worker productivity by gender distribution of labour



Following from the previous slide, the figure here shows that sectors with low productivity (GVA/worker < subsistence threshold of ₹150,000 per annum – ₹12,500 per month) are the ones with high proportionate participation of women. In terms of employment, tobacco engages 94% women workers with a GVA per worker as low as ₹34,000 and wearing apparel has 70% women workers with GVA (worker productivity) of just ₹84,000. Food and accommodation is the only significant employer of women (>20% of all workers in the sub-sector) with above subsistence worker productivity (GVA/worker, ₹166,000 per annum). The professional services sector has more educated workers with technical skills, resulting in much higher annual worker productivity (GVA, ₹252,000).





14 While women-managed enterprises in general have much lower earnings

Female-male managed ratio

240%

220%

200%

180%

160%

140%

120%

100%

80%

60%

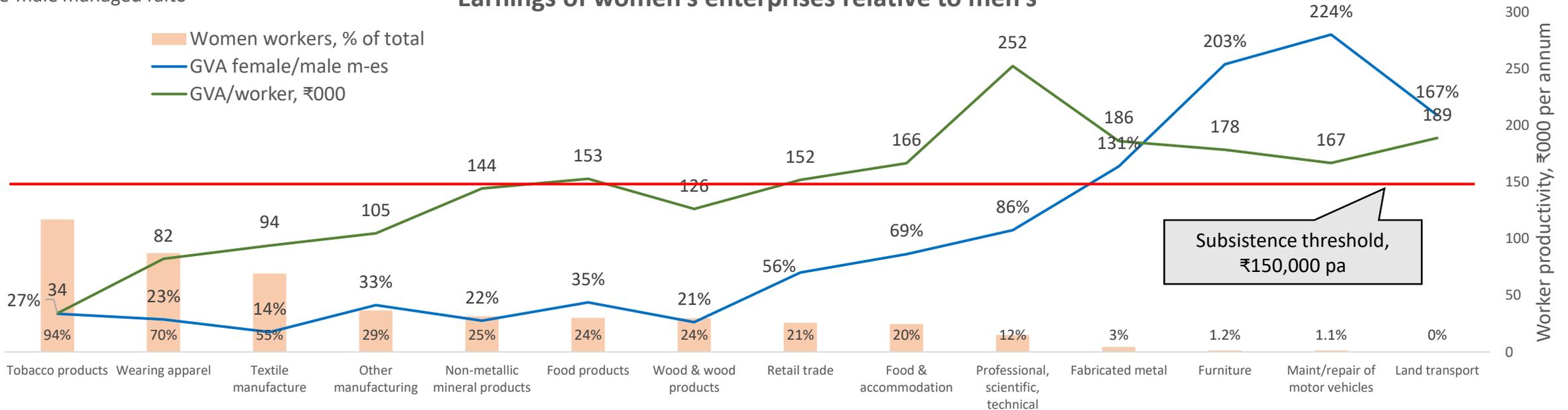
40%

20%

0%

Earnings of women's enterprises relative to men's

- Women workers, % of total
- GVA female/male m-es
- GVA/worker, ₹000



Subsistence threshold,
₹150,000 pa

Worker productivity, ₹000 per annum

In the sub-sectors where women-managed enterprises have better earnings (GVA per worker >₹150,000) – retail trade, food, scientific/technical and others needing technical skills – establishments managed by women are a **very small proportion of the total number**. Even within sub-sectors, there are wide differences between female and male managed enterprises. Wearing apparel has average annual worker productivity of just ₹56,000 in women managed establishments compared to ₹244,000 GVA of male-managed apparel enterprises, a female/male managed productivity ratio of just 23%. In textiles this ratio is even lower at 14%. The female-male managed ratio is >100% only in sub-sectors with very few women-managed enterprises – furniture, vehicle maintenance and land transport.



*...agarbatti (incense stick) making
in a neighborhood production
unit...*

Source: M-CRIL

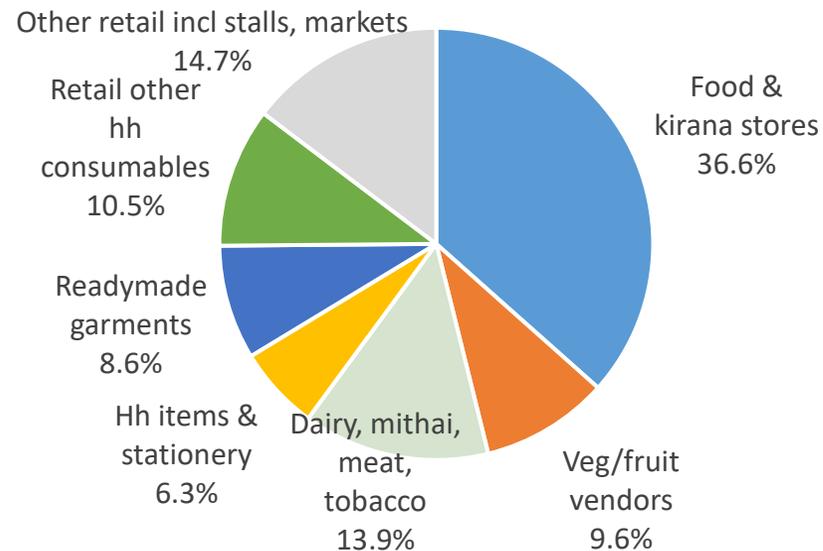




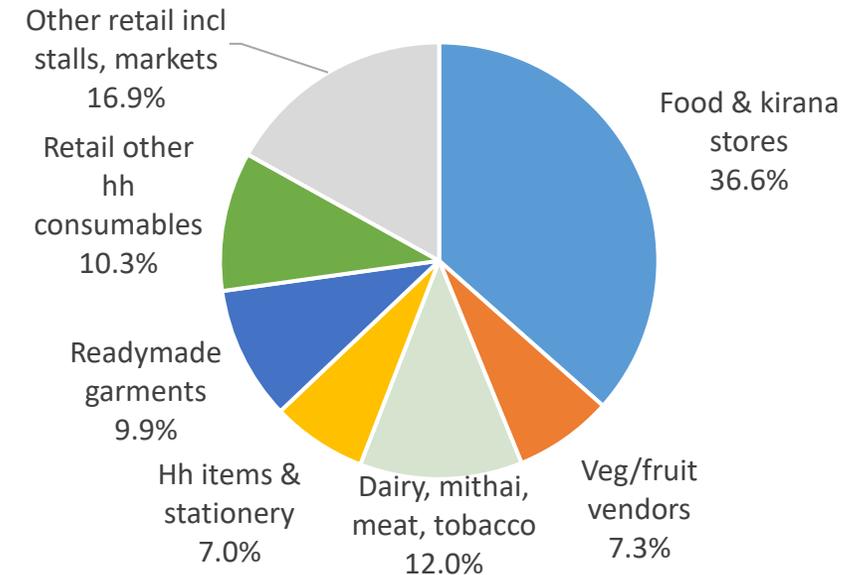
15 Retail trade disaggregation shows variations within the sub-sector

The **retail trade sub-sector** is a huge category with 19.9 million establishments (27% of the total for USE) employing 30.7 million (26.6%) people on FTE basis. It is sub-divided here into seven activity sectors to provide a more nuanced view of its contribution to the lives of the less privileged sections of the population. The disaggregations in the charts below show the differences between the contribution to employment of the various activities – retail of readymade garments (8.6% establishments, 9.9% employment) has greater employment intensity than the average for the trade sector, while dairy+ (13.9% establishments, 12.0% employment) has a lower employment intensity. Vegetable and fruit vendors also have lower employment as these are almost exclusively single person enterprises with almost no hired workers.

Establishments in the retail trade sub-sector



Employment (FTE) in retail trade

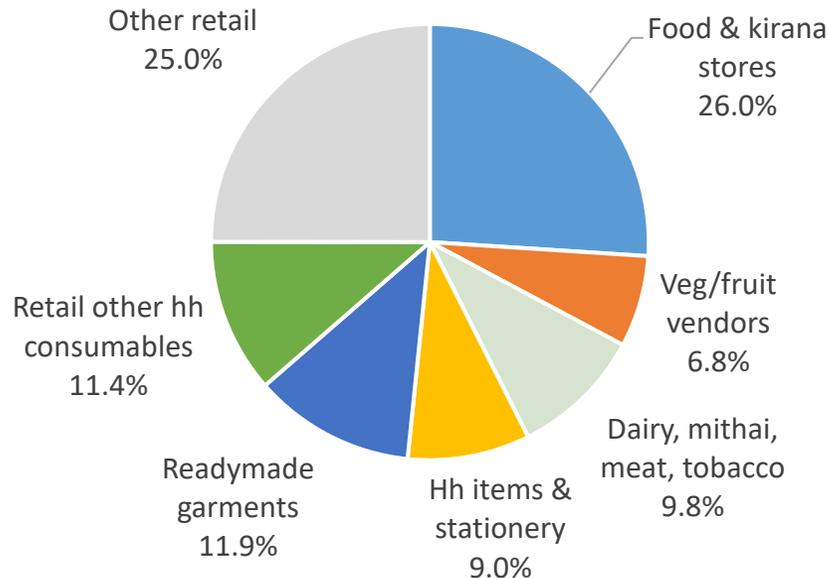




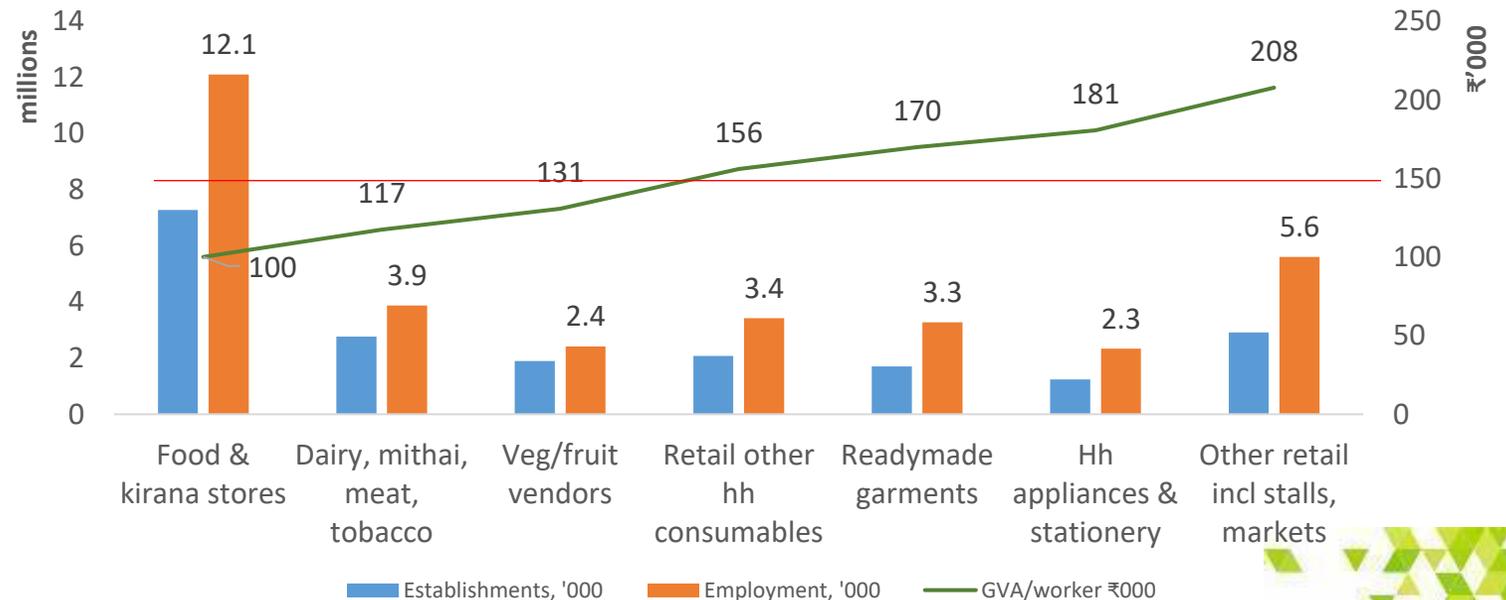
16 ...and contributions to GVA show the stark differences between trading activities

Retail trade's importance as a sub-sector is demonstrated by its contribution to USE GVA (25.8% of the USE total and 1.73% of national GVA in 2023-24). The differences in the productivity of sub-divisions within this sub-sector are apparent in the bar chart below. Food and kirana stores provide over 36% of employment but only 26% of GVA (pie-chart) resulting in productivity per worker being just over ₹100,000. It is the trading of non-consumables that yields greater than subsistence (₹150,000 p.a.) worker productivity. Some 55% of the employment (18.5 million workers) in retail trade is engaged in trading food & kirana that do not apparently provide sustainable work. Clearly, these activities survive mainly as supplements to other income sources of the low-income population – to be discussed in publications to follow.

Activity contribution to GVA of retail trade



Productivity differences in trading activities





17 What have we learned...?

The lack of productivity in the food and kirana sub-sector as a standalone activity could be an area of concern but, for own account enterprises (OAE discussed further in our subsequent document) such trading is often supplementary, being combined with another trading activity, smallholder agriculture, dairying or skill-based production like textile weaving, block printing, pottery or leatherwork. The data available from the USE survey does not enable analysis of combinations of such enterprises or sources of income at the family level. It does, however, provide an understanding of the enterprises and/or the trading levels of various value chains. It has also enabled the identification of sectors that provide home-based employment to low-income women.

Some key sectors that provide home-based or local market employment for women

- Apparel (production of custom-made garments)
- Textile weaving
- Tobacco products – rolling of bidis
- Kirana stores (retailing of foodgrains)
- Retailing of fresh foods – fruit, vegetables
- Production of *namkeens/mithai* (snack foods, sweetmeats), other snacks, *achaar* (pickles)
- Tea/snack shops



...vegetable retail in a local market





18 Where do we go from here – the entrepreneur/user perspective

M-CRIL has been engaged almost exclusively in research and analysis of agricultural value chains and microfinance – the microenterprise space – for over 40 years. The entrepreneur/user perspective has always been at the heart of M-CRIL's work. Based on understanding emerging from the M-CRIL teams' field interactions over the years, the actions set out below are needed to enhance the productivity of the key sectors covered by this analysis – M-CRIL makes no claim to originality here but rather to further encourage activities that can provide quick wins in this field

- ✓ Major rollout of village market infrastructure – access roads, sheds, constructed pathways, input supply berths
- ✓ Additional provision of trading cabins for microenterprises in urban locations supported by facilities of power/water supply, toilets and cleaning
- ✓ Establishment of organised input supply and trading hubs within value chain clusters such as those of weavers, coir mat and woollen carpet producers amongst other value chains
- ✓ Hubs for auxiliary services like yarn dyeing, carpet washing/finishing, garment washing/ironing, leather finishing
- ✓ Transport hubs for input supply to production clusters and product delivery to wholesalers and/or major trading/retail centres.





...sorting and dyeing jute yarn at a common facility centre

Source: [iStock](#)



The suggestions in the previous slide exclude the obvious need for credit; the latter need is partially, if not substantially addressed by the extensive availability of micro-credit now from banks as well as MFIs. The support measures encouraged here are already undertaken in limited pockets in various parts of the country, M-CRIL would like to see these rolled out on a substantially enhanced scale to provide a major boost to value addition by USE workers and producers – who make up the bulk of the low income segments of the population.

To conclude, this is an interim report of a USE microenterprise research project of M-CRIL as of end-July 2025. It will be followed by additional documents with more detailed analysis of various aspects of USE/microenterprises as indicated earlier in this report
...standby for Microenterprise Mela-3.

This document is an M-CRIL knowledge product using NSSO data and M-CRIL's microenterprise experience. The analysis is for the information and benefit of socio-economic development activities in India and is not sponsored in any way.

The M-CRIL team welcomes comments, reflections and discussion of the analysis and findings presented in this document.

