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NATIONAL STATISTICAL COMMISSION
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Annual Report 2011-12

The National Statistical Commission have the privilege to present their Sixth Report as required under the Government of India Resolution dated 1st June 2005 published in the Gazette of India Extraordinary Part-III Section-4.

This Report covers the period from April 01, 2011 to March 31, 2012.

**National Statistical Commission
New Delhi**

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List of Abbreviations

ADG	Additional Director General
AIDIS	All-India Debt and Investment Survey
AITOT	All India Training of Trainers
AP	Andhra Pradesh
ARIMA	Autoregressive integrated moving average
AS	Agriculture Statistics
ASI	Annual Survey of Industries
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ATR	Action Taken Report
BoP	Balance of Payments
BSR	Basic Statistical Returns - RBI
CACP	Commission for Agricultural Costs and Prices
CAP/CPD	Coordination and Publications Division
CAPI	Computer Aided Personal Interview
CATI	Computer Aided Telephone Interview
CEA	Central Electricity Authority
CES	Consumer Expenditure Survey
CIF	Chief Inspector of Factories
CII	Confederation of Indian Industry
COCSSO	Conference of Central and State Statistical Organisations
CPI	Consumer Price Index
CPI-AL	Consumer Price Index - Agricultural Labour
CPI-IW	Consumer Price Index - Industrial Workers
CPI-R	Consumer Price Index - Rural
CPI-RL	Consumer Price Index – Rural Labour
CPI-U	Consumer Price Index - Urban
CPR	Common Property Resources
CSI	Chief Statistician of India
CSIR	Council of Scientific and Industrial Research
CSO	Central Statistics Office
CSW	Consultancy Services Wing
DDG	Deputy Director General
DDP	District Domestic Product
DEO	Data Entry Operator
DES	Directorate of Economics and Statistics
DG	Director General
DGCI&S	Directorate General of Commercial Intelligence & Statistics
DGFT	Directorate General of Foreign Trade
DIPP	Department of Industrial Policy and Promotion
DPD	Data Processing Division
DSO	District Statistical Office
EARAS	Establishment of an Agency for Reporting Agricultural Statistics
EB	Enumeration Block
EC	Economic Census
ESD	Economic Statistics Division

ETL	Extract, Transform and Load
EUS	Employment and Unemployment Survey
FICCI	Federation of Indian Chambers of Commerce and Industry
FOD	Field Operations Division
GAIL	Gas Authority of India Ltd
GDP	Gross Domestic Product
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GVA	Gross Value Added
HW, H/W	Hardware
IBM	Indian Bureau of Mines
IIP	Index of Industrial Production
ILO	International Labour Organization
IMF	International Monetary Fund
I-O	Input-Output
IRIIP	International Recommendations for the IIP
ISI	Indian Statistical Institute
ISIC	International Standard Industrial Classification
ISS	Indian Statistical Service
ISSP	India Statistical Strengthening Project
IT	Information technology
J & K	Jammu and Kashmir
JAG	Junior Administrative Grade
JTS	Junior Time Scale
LFPR	Labour Force Participation Rate
LPG	Liberalisation, Privatisation and Globalisation
MOLE	Ministry of Labour and Employment
MOSPI	Ministry of Statistics and Programme Implementation
MoU	Memorandum of Understanding
MPCE	Monthly per Capita Expenditure
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NAD	National Accounts Division
NAS	National Accounts Statistics
NASA	National Academy of Statistical Administration
NBFC	Non-Banking Financial Companies
NBO	National Building Organisation
NCS	National Commission on Statistics
NE	North Eastern
NEC	North Eastern Council
NGO	Non-Governmental Organisations
NHB	National Housing Bank
NIC	National Industrial Classification
NSC	National Statistical Commission
NSDC	National Statistical Development Council
NSO	National Statistical Organisation
NSS	National Sample Surveys
NSSO	National Sample Survey Office

OECD	Organisation for Economic Co-operation and Development
OLAM	Online Analytical Management
OLAP	Online Analytical Processing
ORACLE	Oak Ridge Automatic Computer Logical Engine (A software)
PCL	Prices and Cost of Living
PFCE	Private Final Consumption Expenditure
PMO	Prime Minister's Office
PPI	Producer Price Index
RBI	Reserve Bank of India
RFD	Results Framework Document
RIDF	Rural Infrastructure Development Fund
RTC	Regional Training Camp
SAARC	South Asian Association for Regional Cooperation
SAS	Statistical Analysis System (A software)
SCIS	Standing Committee on Industrial Statistics
SDDS	Special Data Dissemination Standards
SDMX	Statistical Data and Metadata eXchange
SDP	State Domestic Product
SE	Socio-Economic
SFC	State Financial Corporation
SHG	Self-Help Groups
SIDBI	Small Industries Development Bank of India
SME	Small and Medium Enterprises
SNA	System of National Accounts
SPCL	Statistics of Prices and Cost of Living
SSD	Social Statistics Division
SSO	Senior Statistical Officer
STS	Senior Time Scale
SW, S/W	Software
TAC	Technical Advisory Committee
TRS	Timely Reporting Scheme
TUS	Time Use Survey
UGC	University Grants Commission
UK	United Kingdom
UN	United Nations
UNME	Urban Non-Manual Employees
UT	Union Territory
WAN	Wide Area Network
WPI	Wholesale Price Index
WPR	Workers Participation Rate
WTO	World Trade Organisation

Executive Summary

Introduction

1. The mandate of the NSC is given in the Government of India Notification No. 85 dated 1st June 2005. In addition to its mandate, all functions of the Governing Council of the National Sample Survey Office (NSSO) were entrusted to the NSC w.e.f 30th August 2006.

(Paras – 1.2, 1.7 and 1.8)

2. During the period under report, the NSC addressed the issue of putting in place an effective legislative and institutional framework to ensure independence of the official statistical system, enhance public trust in statistics and to address the problems of statistical coordination. Besides, it also worked through different professional committees, constituted to study various subject areas and bring out solutions to some of the problems in the system.

(Para-1.11)

3. The NSC also considered NSSO related issues from subject coverage and methodological issues to monitoring different stages of survey work in respect of three regular NSS rounds. The first Statistical Audit on the all India Indices of Industrial Production (IIP), initiated during 2010 –2011, was completed during the year.

(Para-1.12)

Legislative measures on statistical matters

4. The NSC constituted a Committee on 8th November 2010 under the chairmanship of Prof. N. R. Madhava Menon to look into legislative measures on statistical matters including the statute for the National Statistical Commission.

(Para – 2.2)

5. The Menon Committee made 31 recommendations. The main recommendations are as follows.

- (a) In order to provide for censuses on all subjects and for core statistics (statistics of national importance or critical to the economy), the Entry-69 in the Union list of the Seventh Schedule to the Constitution may be amended as "Census on any subject and statistics declared by Parliament by law to be of national importance".
- (b) The National Statistical Commission (NSC) may be constituted, using draft National Statistical Commission Bill recommended by the Committee, as a body corporate by Parliament by Law under Entry-44 of the Union List to regulate core statistics and advise the

Government on other official statistics. The Commission shall continue to perform the functions of the erstwhile Governing Council of the NSSO.

- (c) Since the pith and substance relating to core statistics has implications in the Centre-State relations in the areas of official statistics, the Committee recommends constitution of a National Statistical Development Council under the Chairmanship of the Prime Minister to give directions to the Commission on related policy matters.
- (d) The Committee recommends for a separate Division under the Commission, to be named as National Statistical Appraisal and Assessment Organisation headed by an officer not below the rank of a Secretary to the Government of India to be designated as Chief Statistical Auditor. This organisation would be conducting statistical audit on mandatory basis in respect of core statistics and selectively on other products, as per the directions of the Commission.
- (e) Financial independence can be achieved by making an arrangement through which an initial endowment fund of Rs.500 crores is provided and certain percentage of the budget on official statistics (at least of the National Statistical Organisation) is made to devolve to the Commission in every financial year for the services that the Commission is expected to render. The Committee recommends this share to be five percent of the budgetary grant of the National Statistical Organisation. The Commission should organize these amounts received from time to time in the form of a non-lapsable Fund for meeting its expenditure.
- (f) An All India Indian Statistical service may be created, which would benefit the statistical system at the Centre and in the States.
- (g) Regulatory/ advisory functions, under the Government of India (Allocation of Business) Rules, 1961, of the National Statistical Organisation (NSO) shall be performed by the Commission and the NSO in the MOSPI shall be the official agency to implement policy decisions of the Commission. The Government of India (Allocation of Business) Rules, 1961 requires amendment on these lines.
- (h) The main role of the National Statistical Organisation would be of a coordinator and an implementer in respect of core statistics, which can be exercised effectively if it is located in the Prime Minister's office.
- (i) The present practice of designating the Secretary in the Department of Statistics as the Chief Statistician of India is consistent with international practices. He should not be the Secretary to the Commission.
- (j) The NSC may be empowered to lay down standards for compiling and disseminating judicial statistics. A statistics wing may be established in the Department of Justice for the purpose.

(Paras - 2.8 and 2.16)

6. The draft National Statistical Commission Bill recommended by the Menon Committee has two Schedules, namely, First Schedule on list of core statistics and the Second Schedule on the amendments to the Collection of Statistics Act, 2008 (7 of 2009). The Menon committee recommended that the NSC may take a final view on adequacy or otherwise of the list of core statistics given by it in the First Schedule. The Second Schedule to the draft Bill is intended to amend the Collection of Statistics Act, 2008.

(Para- 2.9)

7. The NSC appreciated and adopted the report of the Menon Committee. The draft National Statistical Commission Bill recommended by the Menon Committee in its report has been approved by the NSC with the modification that the list of core statistics given in the First Schedule of the Bill has been replaced with the list of core statistics recommended by the NSC in its Annual Report for the year 2010-11. The National Statistical Commission Bill with this modification recommended by the NSC is given at Annex. I.

(Para-2.10)

8. The Menon Committee recommended certain consequential and incidental provisions by way of amendments (Annex. II and III) to enhance the scope, utility and better implementation of the Census Act, 1948, the Registration of Births and Deaths Act, 1969. The Registrar General and Census Commissioner informed the Menon Committee that his office is opposed to the proposed amendments. The NSC decided to further examine the amendments to the two laws, in consultation with the Office of Registrar General & Census Commissioner.

(Paras – 2.11 to 2.15)

9. The NSC recommended draft service conditions for the post of CSI (given at Annex. IV), to be notified under Article 309 of the Constitution.

(Paras – 2.16 and 2.17)

Macro-economic indicators

10. The NSC constituted a Committee on 30th July, 2010 under the Chairmanship of Shri Suman K. Bery, Member, NSC to identify statistical products for monitoring short term macro-economic changes and agencies to produce and disseminate the products. The Committee in its report submitted to the NSC made eighteen recommendations. The NSC recommended to the MOSPI, the implementation of the recommendations given in the report in coordination with other agencies concerned.

(Paras – 3.1 to 3.4)

Price Statistics

11. A Committee under the chairmanship of Prof. Sudipto Mundle, Member, NSC was constituted by the NSC in July 2010 to look into institutional arrangements for price collection, compilation and dissemination

of WPI and CPIs and assessment of inflation rates based on these indices, integration of data collection machinery, and computation of inflation rates. The Committee in its report submitted to the NSC made seven recommendations.

(Paras – 4.4 and 4.5)

12. The NSC considered the report of the Mundle Committee. It was reported to the NSC that the CPI (Rural) and CPI (AL/ RL) are due for revision on the basis of the NSS 68th Round CES results. Hence, the NSC recommended integration of price collection in the rural areas by selecting villages to be covered under CPI (AL/ RL) from those selected for the CPI (Rural).

(Para – 4.9)

13. The Mundle committee specifically recommended that while integrating the data collection arrangements for CPI – U and CPI – IW, the selection of markets, price collection centres, and individual items, including product specifications and brand names, must fully meet the requirements of the Labour Bureau for producing CPI – IW series which is robust, credible, and acceptable to the stake holders of the Labour bureau. Hence, the NSC recommended that data collection mechanisms of both the series may be integrated. The TAC on SPCL may work out further details in consultation with the Labour Bureau. Resources may be provided in the NSSO (FOD), the CSO and the other official agencies to provide an end to end solution for the entire process through a centrally sponsored scheme.

(Paras – 4.10 and 4.11)

14. The issue of integrating price data collection mechanism needs to be looked into, not only in the context of cost effectiveness, but also to meet the requirements of quality, credibility and timeliness. It is necessary to develop strict standards and protocols to be followed by official agencies. The NSC has recommended a Code of Practice for producers of official statistics in its Annual Report for 2010-11. In addition to the good practices mentioned in the Code, thirteen guidelines given by the NSC, if followed in letter and spirit, would bring more credibility to price statistics collected by official agencies at the Centre and in the States/ UTs. The Central Government may implement the recommendations in consultation with States/ UTs and also provide adequate resources, where necessary.

(Paras - 4.12 and 4.13)

15. The paper titled “Methodology for compilation of spatial price indices to depict the differentials across different States/ UTs and major cities” contributed by Prof. Amita Majumder may be used by the CSO to develop suitable methodology to guide all the official agencies in compiling spatial indices.

(Para-4.14)

Data Management

16. The NSC constituted a Committee on Data Management under the Chairmanship of Shri Suman K. Bery, Member, NSC. The Committee in its report submitted to the NSC made recommendations on integrating the data sources so as to provide data to the users through single window system and on application of powerful IT tools integrating the entire gamut of statistics into single data warehouse. The NSC accepted the report of the Committee and the comments/ suggestions received on the report, and recommended for their implementation by the MOSPI in consultation with line Ministries at the Centre.

(Paras – 5.1 to 5.6)

Unorganised sector statistics

17. The National Statistical Commission (2001) and several expert committees recognized the need for unorganized sector statistics with standardized concepts, definitions, coverage and comparability over time and space. To examine this issue in all its dimensions and to make necessary recommendations, the NSC constituted a Committee on unorganized sector statistics under the chairmanship of Prof. R. Radhakrishna, Chairman, NSC. The Committee in its report submitted to the NSC made thirty two recommendations. The NSC accepted the Report of the Committee as well as the expert comments. The NSC forwarded the Report to the MOSPI with the recommendation to initiate appropriate steps towards its implementation.

(Paras – 6.1 to 6.4)

Pooling of Central and State Samples in NSS

18. The NSC constituted a committee under the Chairmanship of Prof. R. Radhakrishna, Chairman, NSC to inter alia look into conditions to be fulfilled and methodology for pooling of Central and State Sample NSS data. The Committee in its report submitted to the NSC gave recommendations in respect of five main aspects, namely, indicators to be pooled at sub-state level, scope of poolability and measures to improve the poolability, methodology of pooling, preparation of weighting diagram for construction of CPI at sub-State level and suitable augmentation of the sample size of central sample data. The NSC recommended to the MOSPI, the implementation of the recommendations given in the report of the Committee.

(Paras – 7.1 to 7.10)

Statistical audit

19. The NSC appointed Dr. N.S. Sastry to conduct a statistical audit on the IIP compiled by the CSO, as a test case. Dr. Sastry in his report submitted to the NSC made sixteen recommendations. With regard to statistical audit framework, Dr. Sastry considered various country experiences and recommended that the UK Model is the most appropriate one for India. The

recommendations of Dr. Sastry have been considered by the NSC and appropriate legislative and institutional framework for conducting statistical audit has been provided in the National Statistical Commission Bill recommended in chapter-2 of this report. The Working Group on IIP may consider the report of Dr. Sastry on IIP issues and the comments received on the report.

(Paras – 8.1 to 8.18)

Matters relating to the NSSO

20. During the year 2011-12, the NSSO released seven reports based on the data of the 66th NSS round and also provided access to users on the unit-level data.

(Paras – 9.3 and 9.4)

21. The NSC decided that the subjects "Drinking water, Sanitation, Hygiene, Housing conditions (including slums)" would be covered in the 69th NSS Round (July - December 2012) of six months duration. A Working Group was constituted under the Chairmanship of Prof. Amitabh Kundu, former Member of the NSC to formulate the survey instruments for the round and to look into the entire gamut of activities of the 69th Round. The NSC approved the methodology formulated by the Working Group.

(Paras – 9.5 to 9.10)

22. The subject coverage decided for the 70th NSS Round (Jan 2013-December 2013) was 'Land holdings, Livestock holdings, Debt & investment and Situation Assessment Survey of Farmers' A Working Group was constituted under the Chairmanship of Prof. A. Vaidyanathan for formulating methodological aspects and to oversee the entire gamut of activities of the 70th NSS round.

(Paras – 9.11 to 9.13)

23. The unit-level data of different rounds of NSS was prepared by the NSSO on the basis of entries in the detailed inquiry schedules. It was decided that the detailed inquiry schedules can be weeded out after one year of the publication of the last report of a particular round of NSS and release of unit-level data. However, with regard to the listing schedules, the NSC desired that the NSSO may submit a detailed note on the feasibility of placing data contained in the listing schedules in the public domain as also on the parameters on which data can be generated over and above what is being presently made available through dissemination of unit level data.

(Para – 9.14)

24. The NSC constituted a Standing committee on NSSO matters, under the chairmanship of a Member of the NSC, to look into all technical issues referred to it from time to time in respect of NSS, which are not possible to be looked into by Working Groups on NSS.

(Paras – 9.15 and 9.16)

25. The MOSPI appointed a Committee under the Chairmanship of Prof. Atul Sharma to inter alia suggest appropriate sample size requirements at state level in North-Eastern States vis-à-vis the corresponding number of field investigators required. The Atul Sharma committee in its report made seven recommendations. The NSC considered the report and accepted it. The NSSO was requested to take further steps to implement the recommendations given in the report. The NSC recommended that the NSSO (FOD) may set up field offices in all the North-Eastern States and other States/ UTs, where such offices were not established.

(Paras – 9.17 to 9.20)

26. It was reported that the Urban Frame Survey 2007-12 has been carried out by the NSSO in accordance with revised guidelines, framed to address the issue of underestimation of population in NSS. The NSC desired that as soon as the details of census EBs become available, a detailed paper regarding “using Census EBs as sampling frame in urban areas in NSSO surveys” may be presented before it. The NSC also desired that some procedure needs to be evolved for the field to keep a watch on possible divergences with census data at micro level and take appropriate corrective steps. The NSC further desired that a report on the urban frame survey 2007-10 may be brought out by the NSSO.

(Paras – 9.21 to 9.22)

27. Prof. Anil P. Gore, Member, NSC submitted his report to the NSC on the issue of using open/ general software for tabulation of unit level data by the statistical agencies at the Centre and in the States. The recommendations made in the report were considered by the NSC. The NSC recommended that the NSSO may take steps in the direction of capacity building on using SAS software.

(Paras – 9.23 to 9.24)

28. The NSC appreciated the initiatives taken by the NSSO in decentralized data entry system particularly at its Goa, Regional Office on pilot basis in respect of the 68th Round NSS schedules. The NSC desired that the experiment may be extended to a few more states representing different zones of the NSSO and to also cover the listing schedules.

(Para – 9.25)

Other statistical matters

29. The NSC constituted a Standing Committee on 8th June 2010 under the Chairmanship of Prof. Sudipto Mundle, Member, NSC to monitor the implementation of the recommendations of the Rangarajan Commission as also of the permanent NSC constituted w.e.f 12th July 2006. The Standing Committee identified four action points to expedite the process of implementation. Action has been pending for quite some time, possibly due to

lack of adequate staff support to handle the work. It was reported that staff has been provided and the work has started progressing.

(Paras – 10.1 to 10.6)

30. The NSC has been submitting its Annual Reports, from time to time, to the MOSPI and the MOSPI has been laying the Annual Reports along with Action Taken Reports (ATRs) before each House of Parliament. The Annual Reports are uploaded in the website of the MOSPI. The NSC recommends that ATRs may also be uploaded in the website of the MOSPI along with Annual Reports to ensure transparency. It was found that, in some situations, an ATR contains action proposed by the Government on some recommendations and final status is not subsequently reported to the Parliament. In view of this, the NSC recommended for a complete review of all the ATRs so far laid before each House of Parliament and for laying down an updated ATR before each House of Parliament.

(Paras – 10.7 to 10.9)

31. With regard to conducting a nation-wide survey on Time Use during the 12th Plan period, the NSC desired that requirements of user Ministries including the CSO (NAD) may be obtained in the form of list of indicators and tables and an Expert Group may be constituted by the CSO under the Chairmanship of Prof. S. R. Hashim to formulate inter alia the survey methodology.

(Paras – 10.10 to 10.12)

32. The NSC, after considering a wide range of issues involved in the industrial statistics sector, recommended reconstitution of the Standing Committee on Industrial Statistics (SCIS).

(Paras – 10.13 to 10.16)

33. The Prime Minister's Office requested to review the categorization of workers currently adopted for compilation of wage rate data and indicate the expected time frame for constitution of a Technical Working Group for revision of categorization of workers. The NSC desired that the CSO may constitute a Working Group under the chairmanship of Dr. T.S. Papola.

(Paras – 10.17 to 10.20)

34. The NSC desired that the CSIR and UGC may be requested to address the issue of having proportionately more number of questions on mathematics compared to statistics in their entrance test as it may not provide adequate research avenues for statistics students.

(Para – 10.21)

35. With regard to criticisms being made in the media on quality of official statistics being put out by the NSO, the NSC suggested that documentation/meta data needs to be improved. Arrangements for communication with the public domain regarding the Department's statistical products need to be

strengthened and an official spokesperson may be notified for the products so as to provide clarifications to users including media persons about the data.

(Para – 10.22)

36. With regard to the issues raised in two journals in respect of deviations between the RBI data and the DGCIS data on imports and exports, it was decided that the issues need to be discussed in more detail in a meeting of the concerned agencies.

(Paras – 10.23 to 10.24)

37. The report submitted by the Committee on social sector statistics should be considered as a first draft and further details need to be looked into, in respect of availability, quality of data and data gaps in respect of social sector statistics.

(Paras – 10.29 to 10.33)

38. The NSC, after consideration of the Report of the Steering Committee on establishing a Consultancy Wing, sought further details from the CSO (SSD) on the justification for establishing a public limited company and for rejecting the options of society and Section 25 company, on the manner in which the wing would carry out its activities, whether it could include or be attached to NASA, and whether the manner in which some of the institutions, such as the Institute of Foreign Trade and Institute of Manpower Planning, have been functioning would be suitable for the Wing.

(Paras – 10.34 to 10.40)

CHAPTER-1

INTRODUCTION

1.1 A Commission set up by the Government in January 2000 under the Chairmanship of Dr. C. Rangarajan reviewed the statistical system and the entire gamut of Official Statistics in the country. The Rangarajan Commission submitted its report to the Government in August 2001. One of the key recommendations of this Commission was to establish a permanent National Commission on Statistics to serve as a nodal and empowered body for all core statistical activities of the country, evolve, monitor and enforce statistical priorities and standards and to ensure statistical co-ordination among the different agencies involved.

1.2 In line with the recommendations of the Rangarajan Commission, the Government of India resolved the setting up of a permanent National Statistical Commission (NSC) vide Notification No. 85 dated 1st June 2005 published in the Gazette of India, Extraordinary, Part-III-Section 4.

1.3 The NSC was constituted on 12th July 2006 to serve as a nodal and empowered body for all core statistical activities of the country and to evolve, monitor and enforce statistical priorities and standards and ensure statistical co-ordination. The Commission consists of a part-time Chairman, four part-time Members and Secretary, Planning Commission as an *ex-officio* Member. The Chief Statistician of India (CSI) is the Secretary to the Commission. He has a dual role, as he is also the Secretary to the Government of India in the Ministry of Statistics and Programme Implementation (MOSPI).

Composition of the NSC

1.4 The names of the persons holding part-time positions in the NSC during the period under report are given below.

Prof. R. Radhakrishna	–	Chairman
Shri Suman K. Bery	–	Member
Prof. Sudipto Mundle	–	Member
Prof. Anil P. Gore	–	Member
Prof. Shibdas Bandyopadhyay	–	Member

1.5 Prof. Anil P. Gore, Member of the NSC resigned on 19th December 2011 and since then the position was vacant. Dr. T.C.A. Anant was the Chief Statistician of India (CSI) and Secretary to the Commission during the entire period under report.

1.6 In order to support the Secretary to the Commission in providing assistance to the Commission in the discharge of its functions, a small

secretariat comprising a Dy. Director General and a Director with other support staff has been created. The post of Director was vacant during the period under report.

Mandate of the NSC

1.7 Under the aforesaid Government of India Resolution dated 1st June, 2005, the NSC is mandated, -

- (a) to identify the core statistics, which are of national importance and are critical to the development of the economy;
- (b) to constitute professional committees or working groups to assist the Commission on various technical issues;
- (c) to evolve national policies and priorities relating to the statistical system;
- (d) to evolve standard statistical concepts, definitions, classifications and methodologies in different areas in statistics and lay down national quality standards on core statistics;
- (e) to evolve national strategies for the collection, tabulation and dissemination of core statistics, including the release calendar for various data sets;
- (f) to evolve national strategies for human resource development on official statistics including information technology and communication needs of the statistical system;
- (g) to evolve measures for improving public trust in official statistics;
- (h) to evolve measures for effective co-ordination with State Governments and Union Territory Administrations on statistical activities including strengthening of existing institutional mechanisms;
- (i) to exercise statistical co-ordination between Ministries, Departments and other agencies of the Central Government;
- (j) to exercise statistical audit over the statistical activities to ensure quality and integrity of the statistical products;
- (k) to recommend to the Central Government, or any State Government, as the case may be, measures to effectively implement the standards, strategies and other measures evolved under clauses (c) to (h);
- (l) to advise the Government on the requirement of legislative measures on statistical matters including the statute for the National Statistical Commission; and
- (m) to monitor and review the functioning of the statistical system in the light of the laid down policies, standards and methodologies and recommend measures for enhanced performance.

1.8 In addition to the aforesaid mandate, all functions of the Governing Council of the National Sample Survey Office (NSSO) were entrusted to the

NSC w.e.f 30th August 2006, in accordance with the decision of the Union Cabinet in its meeting dated 10th August 2006.

Challenges and initiatives

1.9 As already stated in paras – 1.7 and 1.8, the NSC has been assigned a very substantial mandate. However, the process of constituting the NSC in accordance with the Government of India Resolution dated 1st June 2005 (mentioned in para-1.2) and the Notification (on service conditions for the part-time Chairman and Members) No. 465 dated 10th May 2006 published in the Gazette of India, Extraordinary, Part-II - Section 3 - Sub-section (ii), was found to be inadequate in some respects. As a consequence, the NSC had to function under a number of constraints in accomplishing its mandate. Firstly, the role of the NSC, as per the aforesaid Notifications, has largely been of an advisory nature, with very little executive authority. Secondly, the terms and conditions, under which the NSC was appointed, are quite incompatible with its mandate. For instance, the Chairman and Members of the NSC are respectively holding the rank equal to a Minister of State and a Secretary to the Government of India. Although their positions are on part-time basis, they are expected to devote a great deal of their time to strengthening and monitoring the functioning of the entire statistical system of the country. However, the Chairman and Members of the NSC are still being given respectively an honorarium of Rs. 10,000/- and Rs.7,500/-per month only. Such terms and conditions have remained under review for over three years now, but these are yet to be revised. Furthermore, the NSC Members have not been provided with either an office or any secretarial assistance. This has made it extremely difficult for the Members to carry out their mandate. However, despite these constraints, the NSC has undertaken several initiatives to strengthen the functioning of the Indian statistical system. Some of these are discussed below.

1.10 In its previous Annual Reports, the NSC made several recommendations to improve the statistical systems at the Centre and in the States. Some of the important recommendations relate to: - (a) core statistics of national importance and critical to the economy, (b) national policy on official statistics, (c) steps to improve the statistical systems in the States/ UTs, (d) setting up of Statistics wing in the MOSPI as a separate Department, (e) prescribing role and functions of statistical advisers in Central Ministries and States, (f) enactment of the Collection of Statistics Bill to replace the Collection of Statistics Act, 1953, (g) prescribing 2014-15 for revision of base years for all official indices and national accounts, (h) compiling WPI on monthly basis instead of on weekly basis, and (i) compiling CPI (Urban) and CPI (Rural).

1.11 During the period under report, the NSC addressed the issue of putting in place an effective legislative and institutional framework to ensure independence of the official statistical system, enhance public trust in statistics and to address the problems of statistical coordination. Besides, it

also worked through different professional committees, constituted to study various subject areas and bring out solutions to some of the problems in the system.

1.12 During the period of this review, the NSC also considered NSSO related issues from subject coverage and methodological issues to monitoring different stages of survey work in respect of three regular NSS rounds. The first Statistical Audit on the all India Indices of Industrial Production (IIP), initiated during 2010 –2011, was completed during the year 2011-12.

Working of the NSC

1.13 The Commission held seven meetings during the financial year 2011-12. The dates of the meetings are indicated below.

<u>S. No. of the Meeting</u>	<u>Dates of the Meeting</u>	<u>Place where held</u>
42	9 th to 10 th June 2011	New Delhi
43	10 th to 11 th August 2011	New Delhi
44	1 st to 2 nd September 2011	New Delhi
45	29 th to 30 th October 2011	New Delhi
46	25 th November 2011	Hyderabad
47	11 th to 12 th January 2012	New Delhi
48	6 th to 7 th March 2012	Goa

1.14 In all the seven meetings, the Commission deliberated on the issues referred to it and on issues covered under its mandate. The main issues deliberated during the meetings relate to legislative measures on statistics, and reviewing the progress made by and reports submitted by professional committees and working groups appointed by the NSC. These issues broadly fall under the mandate of the NSC mentioned at sub-para (b) to (e), (g), (i), (j), and (l) of para-1.7. The Commission also had consultations and detailed discussions with the concerned subject matter specialists, on improvements to the statistical system in the respective fields.

1.15 Minutes of each meeting of the Commission were recorded and circulated to all the Members and the same were confirmed in the subsequent meeting after discussion. The recommendations of the Commission, as and when made, were forwarded to the concerned Government Departments for appropriate action.

Constitution of professional Committees

1.16 The Commission constituted the following professional committees in order to assist it in the relevant subject areas.

S. No.	Name of the Committee	Name of Chairperson of the Committee	Other non-official members in the Committee
1.	Committee to look into legislative measures on statistical matters	Prof. N. R. Madhava Menon	Shri T.K. Viswanathan, Shri S. Ramaiah
2.	Committee on macro-economic changes	Shri Suman K. Bery, Member, NSC	Prof. K. Krishnamurthy, Prof. V.N. Pandit, Prof. S. P. Das, Prof. N. R. Bhanumurthy, Dr. S. Bhide, Dr. Pami Dua
3.	Committee on price statistics	Prof. Sudipto Mundle, Member, NSC	Dr. Himansu, Dr. Pami Dua, Dr. Rudrani Bhattacharya
4.	Committee on data management	Shri Suman K. Bery, Member, NSC	Dr. K. Kanagasabapathy, Shri B. Sambamurthy, Prof. Smarajit Bose, Shri Rohit Sabherwal
5.	Committee on unorganised sector statistics	Prof. R. Radhakrishna, Chairman, NSC	Prof. Sheila Bhalla, Prof. Ravi Srivastava, Prof. D. N. Reddy, Dr. Srijit Mishra, Prof. Alakh N. Sharma, Dr. S. L. Shetty
6.	Committee on pooling of Central and State Samples in National Sample Surveys (NSS) etc.	Prof. R. Radhakrishna, Chairman, NSC	Prof. T. J. Rao, Prof. Dipankor Coondo, Dr. C. Ravi
7.	Committee on social sector statistics	Prof. Anil P. Gore, Member, NSC	Dr. J. B. G. Tilak, Dr. Indrani Gupta, Dr. Asha Kapoor Mehta, Dr. Indira Hirway, Prof. Alakh N. Sharma, Prof. K. Nagaraj
8.	Committee on Statistics of Agriculture and allied sectors	Prof. Y.K. Alagh, Chairman, Institute of Rural Management	Dr.R.S. Deshpande, Prof. R. Maria Saleth
9.	Committee on administrative statistics of corporate sector and allied fields	Dr. R. B. Barman Former Executive Director, RBI	Dr. S.L. Shetty, Shri Ramesh Kolli, Representative of CII, Representative FICCI, Representative of ASSOCHAM

About this report

1.17 The recommendations of the NSC on the reports of the first six professional committees indicated in the above table are given in chapters - 2 to 7. Further action to be taken on the report of the Committee on social sector statistics (s. no. 7 in the above table) is discussed in chapter-10. The tenure of the two committees cited at s. nos. 8 and 9 in the above table was extended up to June 2012.

1.18 Chapter-8 of this report deals with statistical audit and in particular about the exercise done in respect of the IIP as a test case. Institutional and legal framework for statistical audit has been addressed in chapter-2.

1.19 Chapter-9 gives an account of the role played by the NSC in respect of the survey activities of the NSSO. Chapter-10 deals with other statistical matters that were considered by the NSC during the period under report.

Expenditure of the Commission

1.20 The annual expenditure on account of the establishment of the National Statistical Commission including salary and wages, domestic travel, office expenses, hiring of accommodation, professional services, administrative services and requirements for day to day administration of the Commission is being met from a demand under the MOSPI voted by the Parliament. In the budget estimates (BE) for the year 2011-12, a provision of Rs. 161.44 lakhs was made for the NSC under the non-plan budget of the MOSPI, which was subsequently, reduced to Rs. 138.5 lakhs in the revised estimates (RE). It was reported that an expenditure of Rs. 103.4 lakhs was incurred during 2011-12.

CHAPTER-2

LEGISLATIVE MEASURES ON STATISTICAL MATTERS

Background

2.1 In pursuance of its mandate, the NSC proposed the constitution of an expert committee to prepare legislation for the establishment of the NSC as a permanent and statutory apex body independent of the Government and responsible to the Parliament in respect of policy-making, coordination and certification of quality of Core Statistics.

Constitution of a committee

2.2 The NSC constituted a Committee on 8th November 2010 under the chairmanship of Prof. N. R. Madhava Menon with the following terms of reference.

- (1) Statutory provisions to be made to make the NSC more effective in exercising its mandate.
- (2) Statutory provisions to be made to have State level Statistical Commissions and their relationship with the NSC.
- (3) Whether any umbrella legislation is needed to make the administrative statistical system more effective, and if so, the details thereof.
- (4) Whether the Census Act and the Registration of Births and Deaths Act are needed to be amended to make them more effective in terms of ensuring public trust etc.
- (5) How the Collection of Statistics Act, 2008 should be made applicable to the State of Jammu & Kashmir in the light of Article 370 and the division of powers as applicable to the State.
- (6) Reviewing the implementation of statistical laws at the Centre and in the States to suggest further improvements.
- (7) Any other matter relevant to legislative measures on statistical matters, including evolving a system for judicial statistics.

Recommendations of the Menon Committee

2.3 The Menon Committee submitted its report to the NSC in its final meeting held on 27th October 2011. The Committee mainly suggested a National Statistical Commission Bill and incidental amendments to the Collection of Statistics Act, 2008, the Census Act, 1948 and the Registration of Births and Deaths Act, 1969. The Committee also recommended amending the Entry-69 of the Union List in the Seventh Schedule of the Constitution. The issue of having an independent statistical system to ensure public trust in

statistics has been examined in great detail by the Menon Committee. Its observations are given below.

9.1.1 The Commission regulating official statistics of national importance and facilitating development of the overall official statistical system plays a key role in any society, especially, in a large and thriving democracy. Production of official statistics within the Government setup is going to be inescapable at least for some time to come, as there are no producers in the private sector who would invest their money and produce such a vast gamut of official statistics available now. Secondly, the administrative statistics, by their very nature, have to be produced within the Government. In order to ensure public trust in official statistics, no purpose would be served by adding another arm of the Government to regulate the production. In fact, such an arm already exists in the Government at present in the form of MOSPI, which arrangement has been found to be ineffective by the Rangarajan Commission. The Commission also reviewed the non-statutory arrangements made in the post-independent era through advisory committees including the National Advisory Board on Statistics and came to the conclusion that the arrangements were inadequate. Hence, the regulator shall be a statutory body, as recommended by the Rangarajan Commission.

9.1.2 The statutory body must be a part of "civil society", independent of and distinct from the Government. It must play host to informed debate, provide space for alternative and dissenting viewpoints, be a voice for the voiceless, and give substance to the phrase "participatory democracy". Since, it must be completely independent, its structure, financing and personnel policies should be such, that it must not be at the mercy of, or amenable to pressures from the government of the day. A clear understanding of its own accountability and a good organisation structure can help to facilitate this objective.

9.1.3 The Commission must be accountable directly to its "owners", the citizens of India. This means, in practice, the Commission must be accountable to the body which represents the citizens of the country, the Parliament. It is within these broad parameters that the committee examined the structure of the Commission."

2.4 With regard to the composition of the Commission, the Menon Committee observed as follows.

9.4.4 The Chairperson and Members of the NSC shall be persons of high integrity, so that they could provide proper regulatory leadership to the statistical system. Their status should be commensurate with the goals sought to be achieved. Their salary,

allowances and other terms and conditions may be evolved accordingly by the Central Government.

9.4.5 The Commission has to function independent of the Government and regulate Government business in respect of core statistics. For the purpose, the political leadership both in the ruling party and in the opposition shall play a part in the constitution of the Commission. Hence, the Committee recommends appointment of the Chairperson and Members in the Commission on the basis of recommendations of a Committee under the Chairmanship of the Prime Minister with representation from the opposition. The Committee shall be assisted by a Search Committee headed by the Deputy Chairman of the Planning Commission, in which a few technical experts could be included as Members. The choice shall be from amongst persons of ability, integrity and standing who have special knowledge or practical experience in respect of matters relating to official statistics or experience in administering institutions dealing with the matters aforesaid or who have made outstanding contribution in the field of statistics or in any other related discipline which would be useful to the Commission. The Committee recommends accordingly.”

2.5 On the issue of deciding about the functions of the Commission, the Menon Committee made the following observations.

10.1.1 There were suggestions that the Commission shall involve itself in the process of producing some important statistics. There are also views that this would dilute the focus of the Commission in exercising its main mandate. This committee felt that, on balance, the advantage lay in separating the functions of producing statistics and regulating or advising or overseeing the production of statistics. The Committee is of the opinion that production of statistics should continue with the Government (at different levels). With regard to the other function, it should be completely in the domain of the Commission in respect of core statistics. However for the rest of the official statistical system, the Commission may advise the Government from time to time on good practices to be followed. The Committee recommends accordingly.

10.1.2 The Committee, on a careful consideration of the recommendations of the Rangarajan Commission and international practices, recommends regulatory role for the Commission on core statistics and advisory role on other aspects relating to official statistics. The Rangarajan Commission appointed by the Central Government in its report (2001) identified many deficiencies of the statistical system, such as existence of gaps in availability of needed information, delays in publication of results, large and frequent revisions of published results, discrepancies between official statistics

from different sources and lack of transparency in statistical operations. All these factors need to be controlled at least in respect of core statistics.

10.1.3 The Governing Council of the National Sample Survey Office (NSSO) enjoyed functional autonomy in respect of national sample surveys conducted by the NSSO. The Union Cabinet decided to wind up the Council and transfer its functions to the present NSC. This decision was made effective from 30th August 2006. The Committee recommends that the proposed statutory Commission shall continue to perform the following functions of the erstwhile Governing Council of the NSSO, namely, to -,

- (i) formulate short period and long term statistical survey programmes;
- (ii) exercise full authority on the choice of subjects or items on which data has to be collected in a given field of investigation or in a given period, to fill gaps in statistics necessary for policy formulation and its implementation, in consultation with Government Departments at the Centre and in the States;
- (iii) decide the frequency with which data on any item is to be collected;
- (iv) formulate preparatory or pilot work to be undertaken on different subjects;
- (v) evolve sampling design to be adopted, the tabulation to be prepared, the form in which the data are to be collected and processed;
- (vi) finalise analysis and publication of results; and
- (vii) indicate, while drawing up programme of survey to be undertaken during a period, the form in which and the dates by which the results and unit level data shall be disseminated."

2.6 With regard to the secretariat support to the proposed Commission, the Menon Committee made the following suggestions.

"9.8.2 The Commission must have a Secretariat headed by an officer not below the rank of an Additional Secretary to the Government of India. He should be designated as Secretary to the Commission. There should be a team of other officers and support staff to assist the Secretary. The NSC Secretariat will mainly assist the Commission in its regulatory and oversight functions. It will also provide secretariat service to the National Statistical Development Council.

9.8.3 With regard to the functions of the Commission in respect of statistical audit, the Committee recommends for a separate Division under the Commission, to be named as National Statistical Appraisal and Assessment Organisation headed by an officer not

below the rank of a Secretary to the Government of India to be designated as Chief Statistical Auditor. This organisation would be conducting statistical audit on mandatory basis in respect of core statistics and selectively on other products, as per the directions of the Commission.

9.8.4 The Commission shall have freedom to select appropriate persons to work in its Secretariat and the National Statistical Appraisal and Assessment Organisation, and also determine their service conditions. The Committee recommends accordingly.”

2.7 Although the Commission would be empowered to regulate core statistics, implementation of its directions may have implications on policy matters effecting Centre-State relations. Political will both at the Centre and in the States may have to provide support including primacy in public administration to official statistics from time to time. In order to provide guidance to the Commission on related policy matters, the Menon Committee recommended constitution of a National Statistical Development Council (NSDC) under the Chairmanship of the Prime Minister.

2.8 The Committee made a number of recommendations on legislative and other incidental measures to improve the statistical system. The recommendations of the Menon committee as summarised in para-19 of their report are as follows.

“(1) There is a need for regulation of the official statistical system, if not in its entirety, but at least in respect of statistics of national importance (core statistics). Hence, the Committee recommends for mandatory regulation of core statistics and for taking other steps for facilitating the development of the system as a whole. The Committee also recommends for constituting a statutory National Statistical Commission to achieve these objects through an Act of Parliament.

(2) In order to provide for censuses on all subjects and for core statistics (statistics of national importance or critical to the economy), the Entry-69 in the Union list of the Seventh Schedule to the Constitution may be amended as “Census on any subject and statistics declared by Parliament by law to be of national importance”.

(3) Production of official statistics within the Government setup is going to be inescapable at least for some time to come. In order to ensure public trust in official statistics, no purpose would be served by adding another arm of the Government to regulate the production. Hence, the regulator shall be a statutory body, as recommended by the Rangarajan Commission.

(4) The Committee felt that the role of the Commission is unique, and while the efficiency, flexibility, transparency and responsiveness of

a good corporate structure are essential, the organisation of the Commission has to be somewhat different. The Committee therefore, recommends the concept of the Commission being a "body corporate" created by an Act of Parliament.

(5) The National Statistical Commission (NSC) may be constituted, using draft National Statistical Commission Bill recommended by the Committee, as a body corporate by Parliament by Law under Entry-44 of the Union List to regulate core statistics and advise the Government on other official statistics. The Commission shall continue to perform the functions of the erstwhile Governing Council of the NSSO.

(6) The National Statistical Commission shall not retain the concept of a part-time Chairperson and part-time Members. The Commission should consist of a Chairperson and not less than four Members, all full-time. The actual number of Members may be determined by the Government, from time to time, as per work requirements. No officer in the Government should be a Member in the Commission.

(7) The status of Chairperson and Members should be commensurate with the goals sought to be achieved. Their salary, allowances and other terms and conditions may be evolved accordingly by the Central Government.

(8) The Committee recommends appointment of the Chairperson and Members in the Commission on the basis of recommendations of a Committee under the Chairmanship of the Prime Minister with representation from the opposition. The Committee shall be assisted by a Search Committee headed by the Deputy Chairman of the Planning Commission, in which a few technical experts could be included as Members. The choice shall be from amongst persons of ability, integrity and standing who have special knowledge or practical experience in respect of matters relating to official statistics or experience in administering institutions dealing with the matters aforesaid or who have made outstanding contribution in the field of statistics or in any other related discipline which would be useful to the Commission.

(9) The Committee recommends tenure of five years for the Chairperson/ Members of the Commission. There is no need to prescribe age limits for these positions, so as not to eliminate well deserving cases solely on these grounds.

(10) The Chairperson and Members of the Commission shall not be eligible for future employment in the Government at least for two years on completion of their tenure. However, there should not be any embargo on their academic and research pursuits, as may be determined by the Government.

(11) The Committee recommends for ineligibility for reappointment for the Chairperson/ Members of the Commission in the same position subject to the condition that a Member may be considered for the position of Chairperson, as his experience as Member would be useful to the Commission. On the same analogy, the Committee feels that a person who had held the office of Chairperson or Member may be considered for the same position only after a gap of two years, if he is otherwise eligible.

(12) Financial independence can be achieved by making an arrangement through which an initial endowment fund of Rs.500 crores is provided and certain percentage of the budget on official statistics (at least of the National Statistical Organisation) is made to devolve to the Commission in every financial year for the services that the Commission is expected to render. The Committee recommends this share to be five percent of the budgetary grant of the National Statistical Organisation. The Commission should organize these amounts received from time to time in the form of a non-lapsable Fund for meeting its expenditure. The Committee recommends accordingly.

(13) The Commission shall submit its reports every year to the Parliament through the Minister of Statistics. The Parliament should be kept informed about the action taken/ proposed to be taken by the Government on the advice/ directions of the Commission. Since core statistics will have implications for States, the reports of the Commission shall be placed before State legislatures along with the action taken/ proposed to be taken by the State Governments.

(14) The Committee recommends that the Commission, in order to be transparent in its working, may place its activities and programmes in the public domain through its own dedicated website.

(15) The Commission must have the powers to sue and be sued on its actions, as is the case with any corporate body.

(16) The Commission may be allowed to select those whom they require in its secretariat. This can be through deputation of government employees, or through direct recruitment including contractual employment. Deputations of government employees may be encouraged only in the formative years of the functioning of the Commission and this form of recruitment should be given up gradually, as it may be counterproductive and go against the principle of autonomy. Similarly, deputation from the private sector should also not be considered.

(17) The Commission must have a Secretariat headed by an officer not below the rank of an Additional Secretary to the Government of

India. He should be designated as Secretary to the Commission. There should be a team of other officers and support staff to assist the Secretary. The NSC Secretariat will mainly assist the Commission in its regulatory and oversight functions. It will also provide secretariat service to the National Statistical Development Council.

(18) The Committee recommends for a separate Division under the Commission, to be named as National Statistical Appraisal and Assessment Organisation headed by an officer not below the rank of a Secretary to the Government of India to be designated as Chief Statistical Auditor. This organisation would be conducting statistical audit on mandatory basis in respect of core statistics and selectively on other products, as per the directions of the Commission.

(19) The Commission shall have freedom to select appropriate persons to work in its Secretariat and the National Statistical Appraisal and Assessment Organisation, and also determine their service conditions.

(20) Production of statistics should continue with the Government (at different levels). With regard to the other function, i.e., regulating or advising or overseeing the production of statistics, it should be completely in the domain of the Commission in respect of core statistics. However for the rest of the official statistical system, the Commission may advise the Government from time to time on good practices to be followed.

(21) With regard to administrative statistics, it is neither possible nor advisable to amend various laws to strengthen the system of collecting statistics as a by-product of administration. However, it is possible to empower the Commission to lay down standards on a case to case basis.

(22) The Committee recommends for a study to be conducted on the statistics that the judiciary and the Department of Justice think necessary for effective management of the judicial system of the country. The study may reflect on the existing system of judicial statistics and the recommendations of the Task Force on 'Judicial Impact Assessment'. The Commission may take a final view on the findings of the study.

(23) The Committee recommends for empowering the Commission to lay down standards for compiling and disseminating statistical details of the cases, petitions and applications filed or disposed off or remaining pending for disposal in various courts. The Committee also recommends for a statistics wing to be established in the Department of Justice to compile and disseminate judicial statistics regularly and also handle the related coordination matters.

(24) Since the pith and substance relating to core statistics has implications in the Centre-State relations in the areas of official statistics, the Committee recommends constitution of a National Statistical Development Council (NSDC) under the Chairmanship of the Prime Minister to give directions to the Commission on related policy matters. This arrangement, the Committee believes, would foster and facilitate smooth working of the Commission.

(25) The Council will be presided by the Prime Minister and in his absence, by the Minister in-charge of statistics as Vice-president. The Council shall meet at least once in a year to deliberate on policy matters, such as reforms in the system, Centre-State relations in the areas of official statistics, international obligations, and resource requirements and give directions to the Commission.

(26) The National Statistical Organisation (NSO) under the leadership of the Chief Statistician of India ably supported by designated officers in different Government Departments at the Centre and in the States shall be the main machinery to coordinate implementation of the directions of the Commission on core statistics and its advice on other matters. Besides, all persons engaged in any activity on core statistics shall comply with the directions of the Commission on core statistics. The Committee recommends the power, of censuring any erring Government agency, to the Commission.

(27) Any statement made or any information furnished by a person to the Commission in the course of performing any duty of implementing or complying with any direction of the Commission shall not subject him to, or be used against him in, any proceedings, except in respect of giving false statement or false information.

(28) The main role of the National Statistical Organisation would be of a coordinator and an implementer in respect of core statistics, which can be exercised effectively if it is located in the Prime Minister's office.

(29) An All India Indian Statistical service may be created, as recommended by the Rangarajan Commission at paras – 14.6.27 & 14.6.28 of their report, which would benefit the statistical system at the Centre and in the States. A detailed framework may be worked out by the Central Government, which may provide necessary funds for the purpose. This would effectively integrate the official statistical system.

(30) The Committee recommends that regulatory/ advisory functions under the Government of India (Allocation of Business) Rules, 1961 of the National Statistical Organisation (NSO) shall be performed by the Commission and the NSO in the MOSPI shall be the official agency to implement policy decisions of the Commission. The Government of

India (Allocation of Business) Rules, 1961 requires amendment on these lines.

(31) The Committee prepared a draft National Statistical Commission Bill on the lines recommended in this report, which also includes other consequential and incidental provisions. The scope and definition of core statistics may be seen under clause 14 of the draft Bill. The First Schedule appended to the Bill gives a list of indicators/ statistical products that will inter-alia be core statistics. A provision has also been made to amend the Schedule by the Government in consultation with the Commission. The NSC may take a final view on adequacy or otherwise of these provisions. The recommendations of this Committee given in this report but not addressed in the draft Bill may be processed separately.”

2.9 The draft National Statistical Commission Bill recommended by the Menon Committee has two Schedules, namely, First Schedule on list of core statistics and the Second Schedule on the amendments to the Collection of Statistics Act, 2008 (7 of 2009). The Menon committee recommended that the NSC may take a final view on adequacy or otherwise of the list of core statistics given by it in the First Schedule. The Second Schedule to the draft Bill is intended to amend the Collection of Statistics Act, 2008, to -

- (a) provide for extending the jurisdiction of the Act to J & K State in respect of matters not reserved for the State as per the Constitution (Application to Jammu and Kashmir) Order 1954; and
- (b) provide for appointing a nodal officer at the Centre and in each State to effectively coordinate data collection activities and provide consultation to Government Departments for avoiding unnecessary duplication, to support the rules notified under the Act.

Recommendations of NSC on Menon Committee report

2.10 The report was considered by the NSC in its 45th meeting held on 29th and 30th October 2011. The NSC appreciated and adopted the report of the Menon Committee. The report was forwarded to the MOSPI. The draft National Statistical Commission Bill recommended by the Menon Committee in its report has been approved by the NSC with the modification that the list of core statistics given in the First Schedule of the Bill has been replaced with the list of core statistics recommended by the NSC in its Annual Report for the year 2010-11. The National Statistical Commission Bill with this modification recommended by the NSC is given at Annex. I.

Amending the Census Act, 1948

2.11 The Menon committee has also suggested amendments to the Census Act, 1948 and the Registration of Birth and Death Act, 1969 that are

incidental to the constitution of a statutory NSC. The Committee recommended that the NSC may take a view on these amendments and on the issue of inclusion of census in core statistics, on the basis of the views of the Office of the Registrar General and Census Commissioner and decide on further course of action.

2.12 On the need for amending the Census Act, 1948, the Menon Committee made the following observations.

17.1.1 As the economy opened up due to reforms in the wake of LPG regime manifested by the WTO agreement, the information needs of the Government at different levels has increased manifold over the years and the Census Act enacted by the Parliament in 1948 has become outdated.

17.1.2 Considering the largeness of the Country, it may not be feasible for the Central Government to cater to the information needs of the State/ UT Governments and the local governments through the decennial population censuses and other censuses being conducted at present. There is a need to provide for updating of census data by these Governments, as and when required. The Census Act needs to be amended to address this problem.

17.1.3There should be a provision in the Census Act for outsourcing, so that the services of educated unemployed youth in the country could be utilised in the national duty of conducting any census.

17.1.4 The Census Act, 1948 being pretty old, and in its present shape it is not consistent with the Right to Information Act, 2005 and the Information Technology Act, 2000. The Census Act does not provide for collecting information electronically,

17.1.5 The Right to Information Act which has also an overriding effect on other laws The Census Act states that the information is confidential and it does not recognise the right of even the informants of being covered in a census and of having a copy of the information collected from them.

17.1.6 The National Policy on dissemination of statistical data of the Government of India (approved by the Cabinet on 9th September 1998) and released in 1999 also *inter alia* laid down that validated data including unit/ household/ establishment level data after deleting their identification particulars to maintain confidentiality should be made available to national and international data users in the form of hard copies and on magnetic media on payment basis and that no data considered to be of sensitive nature should be supplied. The Census Act, 1948 does not cover the aforesaid principles on furnishing

information. The Act (as per Section 15 thereof) in fact provides for not furnishing information.

17.1.7 In most of the large-scale sample surveys, conducted by Government organisations such as the NSSO and the State DESs, listing of persons in selected villages and urban areas is done as that information already available through census is not made available to the concerned organisations.

17.1.8 The Census Act, 1948 has lesser number of provisions about data collection and dissemination of information. It talks more about administrative aspects. It is also not a complete code on the taking of a census.

.....

17.1.10 The proposed amendments address some of the aforementioned problems, such as, -

- (a) providing for conducting not only the population census but also other censuses on a statutory basis,
- (b) providing for the requirements of the Governments at different levels including appropriate updating as they are not otherwise empowered to conduct a census;
- (c) providing for outsourcing, so that the services of educated unemployed youth in the country could be utilised in the national duty of conducting any census;
- (d) providing for collecting information electronically;
- (e) recognizing the right of informants of being covered in a census and of having a copy of the information collected from them to ensure transparency; and
- (f) providing for using individual data for statistical purposes and disseminating the data after deleting personal identification particulars."

Amendments to the Registration of Births and Deaths Act, 1969

2.13 The Registration of Births and Deaths Act, 1969 is being administered by the Ministry of Home Affairs. The Act provides a uniform law for compulsory registration of births and deaths across the country. However, keeping in view the diversity of the country, it allows State Governments to formulate rules for its implementation and appointment of various functionaries. The implementation of the law is the responsibility of the State Governments. The Menon Committee made the following observations with regard to amending the Act.

"17.2.2 One of the important aspects of the law is that births and deaths are to be registered at the place of their occurrence which may not always be the place of residence of the parents/ deceased.

This provision has implications with regard to formulation of strategies for complete registration, as in many cases the household to whom the person (newly born or deceased) belongs may not be responsible for reporting.

17.2.3 The system has not been found to be successful in the country, as reports indicate that substantial number of births and deaths go unregistered and that registration level in the rural areas is lower when compared to the urban areas.

17.2.4 Government of India is contemplating the preparation of a National Population Register and issue identity cards to the individuals. The updating of the population register for each of the birth and death that takes place in the country everyday requires an efficient civil registration system that registers every birth and death. Otherwise the Population Register would become outdated soon after it is prepared.

17.2.5 In view of the aforesaid reasons, there is a definite need for reviewing the working of the Act so as to find out the deficiencies in the system and the manner in which those could be overcome. The Committee is of the opinion that simplification of some of the legal provisions would enhance the level of registration. The proposed amendments are given at Annex-III, which intend to, -

- (a) provide for reporting births and deaths electronically or by post;
- (b) provide for dissemination of information;
- (c) provide for reporting of births and deaths by heads of households as a default obligation;
- (d) provide for recording addresses in the prescribed registers, which could be maintained in e-mode;
- (e) enhance penalties; and
- (f) provide for inquiring into cases of ineffective system of registrations in any area."

2.14 In order to address the aforesaid issues, the Menon Committee recommended certain consequential and incidental provisions by way of amendments to enhance the scope, utility and better implementation of the Census Act, 1948, the Registration of Births and Deaths Act, 1969. The amendments to the two Acts proposed by the Menon Committee are given at Annex-II and Annex-III. The Registrar General and Census Commissioner informed the Menon Committee that his office is opposed to the proposed amendments on the Census Act, 1948, and the Registration of Births and Deaths Act, 1969.

2.15 In view of the aforesaid reasons, the Menon Committee recommended that the NSC may take a view on the amendments proposed by them as also on the issue of including census in core statistics, on the basis of the views of

the Office of the Registrar General and Census Commissioner and decide on further course of action. The NSC decided to further examine the amendments to the two laws, in consultation with the Office of Registrar General & Census Commissioner.

Position of Chief Statistician of India

2.16 The Chief Statistician of India (CSI) is the non-Member Secretary of the NSC at present. The Menon Committee recommended that no officer in the Government should be a Member in the Commission. This recommendation applies to the CSI as well. With regard to the post of CSI, the Committee further recommended as follows.

15.3.1 The Rangarajan Commission recommended that the post of CSI shall not be reserved for any organised service of the Government of India and that recruitment shall be made by open selection from among professional statisticians with long technical and managerial experience in large statistical organisation. The Fifth Central Pay Commission recommended that eligible officers of the Indian Statistical Service shall be considered for the post of Secretary in the Department of Statistics. The Committee leaves this matter to be determined by the Central Government.

15.3.2 The existing arrangement is to select the CSI from a panel of names recommended by a Search Committee headed by the Deputy Chairman of the Planning Commission. After reviewing the existing process of selection of the CSI, the Committee is of the view that the practice may continue. The Committee also feels that there should be some provision for making temporary arrangement to fill the post when a sudden vacancy arises. The CSI is the most important functionary in the Government setup to implement the directions of the Commission on core statistics. As such, the Commission may, if needed, convey its displeasure to the Government on the performance of the CSI."

2.17 The NSC accepted the aforesaid recommendations of the Menon Committee and recommended draft service conditions for the post of CSI (given at Annex. IV) to be notified under Article 309 of the Constitution.

2.18 The report of the Prof. Menon Committee as adopted by the NSC was forwarded to the MOSPI on 9th November 2011 along with the aforementioned recommendations. The report was also uploaded in the official website of the MOSPI.

CHAPTER-3

MACRO-ECONOMIC INDICATORS

3.1 The NSC constituted a Committee on 30th July, 2010 under the Chairmanship of Shri Suman K. Bery, Member, NSC with the following terms of reference.

- Identifying statistical products for monitoring short term macro-economic changes
- Identifying agencies to produce and disseminate the products periodically.

Recommendations of the Committee

3.2 The Committee submitted its report to the NSC in October, 2011. The report was uploaded in the website of the MOSPI inviting comments and suggestions. Besides, the report was also sent to a few experts requesting them to give their views and suggestions. The recommendations of the committee are given below.

- (a) Government brings out quarterly estimates of GDP both from production side and expenditure side. Production side GDP is released by industry of origin. The expenditure side of GDP also provides estimate of private final consumption expenditure (PFCE), government final consumption expenditure (GFCE), gross fixed capital formation (GFCF) etc. These have been found to be the most important indicators to monitor short-term developments on the demand-side of the economy. However, the committee noted that quarterly estimates of savings are not being brought out so far. It recommended that savings should also be estimated on quarterly basis.
- (b) There is a general desire on the part of the users of quarterly GDP estimates for the provision of officially provided seasonally adjusted series to facilitate comparison of a given quarter results with those of the previous quarter. The committee considered this issue and recommended that the CSO should bring out seasonally adjusted quarterly estimates of GDP.
- (c) To monitor performance of industries in the public sector and also for intervention at an appropriate time, the committee recommended that industry-wise Gross Value Added per worker should be released on quarterly basis.

- (d) Services sector in the country contributes to more than 50 percent of the GDP. There is no separate short term indicator to measure the growth in production of various types of services. The committee noted that a Standing Committee constituted by the MOSPI, under the chairmanship of Prof. C.P. Chandrasekhar, has been entrusted with the task of developing suitable methodology for sector specific indices for service production. The committee recommended that the work in this regard should be expedited. There is also a need for Service Prices Indices. It was informed that the DIPP had constituted a committee also chaired by Prof. Chandrasekhar for the purpose. The committee recommended that this matter should also be expedited so that both production and price indices for various types of services may become available simultaneously.
- (e) Since 1990-91, India has been taking various measures to integrate itself with the world economy. A number of tariff and non-tariff barriers for imports and exports have been reduced or eliminated considering the comparative advantage with regard to some of the commodities or manufactured goods. At present there is no short term indicator on the contribution of foreign trade to the total trade in the country. The committee recommended that there is an urgent need to develop an indicator to measure the contribution of international trade to total trade so that it may be used for policy formulation.
- (f) Financial sector in the country has been modernizing at a rapid pace. There has been lot of emphasis on financial inclusion. There is a need to keep track on the producers' price in the financial sector. A suitable short term indicator in this regard needs to be evolved.
- (g) Housing activity is a very important lead indicator of the state of economic activity in the country. At present, the National Housing Bank (NHB) is bringing out a quarterly price index of residential houses. But no short term indicators on the quantity side are being brought out. It is necessary that important quantitative housing indicators should be brought out on quarterly basis. Some of these indicators are - (i) new home sales, (ii) existing home sales, and (iii) housing starts.
- (h) Balance of Payments (BoP) Statistics are being compiled and released by the RBI at short intervals of time (on a quarterly basis). BoP compiled using the administrative data under controlled regime like in India is more credible than in the case of advanced economies where BoP is compiled on survey basis due to lack of administrative reporting. It was noted that remittances form an important and significant component of overall BoP position of the

country. In India's BoP, private transfer include (i) remittances for family maintenance, (ii) personal gifts/ donations to charitable/ religious institutions, (iii) local withdrawals from Non-Resident Rupee Accounts (receipts), and (iv) gold and silver brought through passenger baggage (receipts). The RBI receives country-wise data on NRI deposits accounts and remittance outflows/ major inflows (purpose-wise) through banking channel, whereas the receipts under small transactions (up to Rs.5 lakhs) through banking channel are reported in consolidated form. The RBI has also conducted surveys on Remittances from Overseas Indians: Modes of Transfer, Transaction Cost and Time Taken in the past (July 2006 and November 2009) which inter alia includes sources of inward remittances. At present, regular data on country-wise / purpose-wise remittances are internal to official agencies and major features are released in public domain as a part of the RBI Bulletin article titled "*Invisibles in India's Balance of Payments: An Analysis of Trade in Services, Remittances and Income*". Data on such remittances should be released by the country of origin and also the purpose which will be helpful in developing sector and country-specific strategies to improve such remittances.

- (i) It was noted that internal trade contributes approximately 15 percent to the overall GDP. However, there are serious limitations in the data. Trade margins available are also dated. The committee felt that there is a need to improve the data on wholesale and retail trade. This should be possible only through regular surveys. A mechanism should be developed to get the trade turnover data on quarterly basis.
- (j) The committee noted that the business expectation surveys are important tools to analyse business cycles. The RBI has been conducting similar surveys evolved on the basis of OECD guidelines suitably adapted to Indian conditions. However, there are challenges in conducting such surveys since the response from the corporate sector has been lukewarm. The committee recommended that mechanism for conducting such surveys in collaboration with industrial associations, chambers of commerce etc., should be strengthened. It may also be necessary to appeal these associations in terms of their corporate responsibility in providing the data in a timely manner, for which they are also users. If necessary, the Collection of Statistics Act, 2008 can also be invoked for the purpose.
- (k) Absence of quarterly estimates of work force participation rates and unemployment rates is a serious limitation in understanding the status of economy at different points of time. The committee noted that the NSSO is conducting pilot survey on Periodic Labour Force

Survey to bring quarterly estimates. The committee recommended that the work should be expedited.

- (l) There is need to study labour productivity in various industrial activities in the country, especially when there has been considerable inflow of new technology both indigenously developed and also imported. There is a need to conduct regular labour market surveys for the purpose of tracking the changes in labour productivity.
- (m) Informal sector contributes more than 55 percent to the total GDP in the country. Approximately 92 percent of all employed persons in the country depend for their livelihood on this sector. Therefore, this is a very important sector which requires regular monitoring. There is a need to conduct regular surveys to provide quarterly estimates of output, number of persons employed and investment by major sectors.
- (n) The Committee noted that the quality of the Quarterly Estimates of GDP brought out by the CSO by industrial origin and expenditure can be further improved if the quarterly information on the following aspects becomes available:
 - (i) expenditure of Central and State governments under various heads separately for capital and revenue and also by economic classification
 - (ii) Quantities of Food and Non-food stocks
 - (iii) Quarterly estimates of household consumption expenditure through sample surveys
 - (iv) production of all horticulture crops
 - (v) season-wise data on all livestock products i.e. Milk, egg, wool and meats
 - (vi) production of timber and Non-timber produce
 - (vii) production of major and minor minerals
 - (viii) production of Gas from GAIL and other companies engaged in Gas production
 - (ix) production of bricks, tiles, fixtures and fittings
- (o) Keeping in view the aforementioned requirements, the Committee recommended that the following new short term indicators should be brought out by the agencies mentioned against each indicator.

S. No.	New Indicators	Agency for compilation & release
1	GDP related indicators: i) Quarterly estimates on saving and investment by public and private sectors,	MOSPI/ CSO

	<ul style="list-style-type: none"> ii) Chain based GDP estimates, iii) Seasonally adjusted Quarterly estimates of GDP iv) Gross Value Added per worker in Public Sector Undertakings 	
2	<p>Service Sector related indicators:</p> <ul style="list-style-type: none"> i) Service Production Indices and Service Price Indices, ii) Contribution of foreign trade in total trade in the country iii) Producer Price Index of financial Sector 	Ministry of Commerce and Industry & Directorate General for Commercial Intelligence and Statistics, MOSPI/CSO and RBI
3	<p>Housing related indicators:</p> <ul style="list-style-type: none"> i) New home sales ii) existing home sales iii) housing starts. 	MOSPI/ CSO NHB/ NBO
4	<ul style="list-style-type: none"> (i) BOP related indicators: Balance of Payments statistics indicating remittances by country of origin (ii) Business tendency surveys (sentiment surveys): Qualitative information from the manager of various industrial activities regarding their own position of order book, their expectation about the future of economy etc 	RBI
5	<p>Others:</p> <ul style="list-style-type: none"> i) Disaggregated level of Rural and Urban Price data – item wise data ii) Sales/turnover for retail trade iii labour market surveys: iv) indicators required for improving the quarterly estimates of GDP being brought out by the National Accounts Division of CSO- such as: quarterly data on (a) production of all horticulture crops,(b) season-wise data on all livestock products i.e. Milk, egg, wool and meats, (c) production of timber and Non-timber produce, (d) production of major and minor minerals, (e) production of Gas from GAIL and other companies engaged in Gas production, (f) production of bricks, tiles, fixtures and fittings, (g) expenditure of Central and State government under various heads separately for capital and revenue and also by economic classification, 	MOSPI/ CSO , Ministry of Agriculture, MOLE, and other relevant Ministries of the Central Government and State Governments.

	<p>(h) Quantities of Food and Non-food stocks, (i) Quarterly household consumption expenditure surveys. v) indicators to track the performance in informal sector – (quarterly output, employed, investment data in informal sector through surveys)</p>	
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- (p) The committee recommended that the time lag of following publications should be reduced:
- (1) The time lag of monthly publication “Monthly Abstract of Statistics” brought out by the CSO should be reduced from 9 months to 3 months.
 - (2) The time lag of monthly publication of energy statistics of power sector brought out by the Central Electricity Authority of India, Ministry of Power should be reduced from one month to less than one month.
- (q) Considering the volatility in the economic indicators and need for regular review, the NSC may consider appointing a Standing Committee to review performance of existing short term indicators in capturing the economic changes and make recommendations to include new indicators or drop existing indicators.
- (r) The Committee noted with concern the criticism on short term indicators released by the Government, especially quarterly GDP, industrial production and price indices. It also recognized that there is a trade off between timeliness and quality of any indicator. This is a larger question which should be addressed by the NSC to provide adequate financial, manpower and other resources to the concerned organizations so that it may be ensured that these indicators are released according to time schedule with acceptable reliability.

3.3 The report of the Committee was uploaded in the official website of the MOSPI inviting comments and suggestions. It was also referred to a few experts requesting them to give their views and suggestions. The NSC Secretariat did not receive any views/ suggestions from any quarter on the report.

3.4 The report of the Committee was forwarded to the MOSPI. The NSC recommended to the MOSPI, the implementation of the recommendations given in the report in coordination with other agencies concerned.

CHAPTER-4

PRICE STATISTICS

Background

4.1 The NSC is mandated to evolve national strategies for the collection, tabulation and dissemination of core statistics, including the release calendar for various data sets. In this connection, in its earlier Annual Reports, the NSC had proposed implementation of several recommendations of the Rangarajan Commission (2001). With regard to compilation of CPI for rural and urban India, the NSC made detailed recommendations in its Annual Report for the year 2007-08. It was reported by the CSO that data for the CPI (Urban) is being collected from 310 towns covering 1114 quotations and that data for the CPI (Rural) is being collected from 1181 villages (one quotation from each village). CPI (UNME) has been discontinued. Indices for CPI (Urban), CPI (Rural) and for CPI (all India) with base year 2010-11 are being released since January, 2011 and inflation rates based on these indices are being released since January 2012. A press release is issued by the CSO on 18th of every month in respect of data of the previous month. The CSO receives price data from the Field Operations Division (FOD) of NSSO in respect of CPI (Urban) and from the Department of Posts in respect of CPI (Rural). Web portals are maintained by the National Informatics Centre for receiving price data. With regard to compilation of WPI, the NSC recommended, in its Annual Report for the year 2008-09, for compiling and disseminating monthly Wholesale Price Indices in place of weekly indices.

4.2 There are three population segment-specific CPIs namely, CPI-IW for industrial workers, CPI-AL for agricultural labour, and CPI-RL for rural labour released at national level by the Labour Bureau. Base years for CPI-IW and CPI-AL/RL are 2001 and 1986-87 respectively. CPI-IW is released at each of the selected 78 centres and all-India and CPI-AL/ RL is available at specified 20 states and all-India. Price data for CPI-IW are collected by State Government officials on a part time basis and data collection for CPI-AL/ RL is undertaken by the Field Operations Division (FOD) of the National Sample Survey Office (NSSO). The Wholesale Price Index (WPI) on base 2004-05 is compiled monthly by the Office of the Economic Adviser, Ministry of Commerce and Industry. As already mentioned earlier, the MOSPI has started compiling a new series of CPI for the entire urban population, viz. CPI-U, and for the entire rural population, viz., CPI-R, which reflect changes in the price levels of various goods and services consumed by the entire population in urban and rural areas respectively. These new indices are compiled at State/ UT and all-India levels. Price data collection for CPI-U and CPI-R is done by NSSO (FOD) and Department of Posts respectively. In the case of Arunachal Pradesh, Mizoram and Lakshadweep, urban price data collection is undertaken by the respective Directorates of Economics and Statistics.

4.3 The NSC identified, in its Annual Report of 2009-10, a host of problems faced by index compiling agencies, such as not having a regular direct data collection mechanism, outsourcing, and multiplicity of data collection agencies. The NSC felt that integration of data collection mechanisms could save lot of resources, which could be diverted to fulfill other needs in the system. The Rangarajan Commission also emphasized the need to unify the system of price data collection in such a way that the proposed mechanism should take into account the requirements of, at least, all central agencies compiling the price indices. In view of these considerations, the NSC decided to constitute a Committee to look into these matters, in great detail.

Constitution of a Committee on Price Statistics

4.4 A Committee under the chairmanship of Prof. Sudipto Mundle, Member, NSC was constituted by the NSC in July 2010 with the following terms of reference:

- (i) Institutional arrangements for price collection, compilation and dissemination of WPI and CPIs and assessment of inflation rates based on these indices.
- (ii) Integration of data collection machinery
- (iii) Computation of inflation rates.

Report of the Committee

4.5 The Committee submitted its report in April 2011. The Committee noted in its report that integration of the data collection mechanism for all the price indices, as indicated in its terms of reference, is desirable for rationalization and consistency of data flow; coordinated and timely revision of the price indices and optimum utilization of manpower for price data collection. Recommendations of the Committee are summarised as follows:

- (i) Price data collection for CPI-R and CPI-AL/ RL should be integrated. Suitable technical proposals for adjustment of the data set and sample size should be prepared by the TAC on SPCL.
- (ii) The Committee feels that integration of price collection mechanism for all price indices should be done by entrusting the task to a single agency, namely, FOD of NSSO.
- (iii) Technical bottlenecks in integrating the datasets for CPI-U and CPI-IW should be resolved by Prices Unit of National Accounts Division, CSO in consultation with Labour Bureau. Changes in price collection scheme including, inter alia, the number of markets, centres, items, brands/ specifications etc., may be submitted to the TAC on SPCL for approval.
- (iv) De-seasonalisation of all the existing price indices should be undertaken following the X12 ARIMA method and released by Prices Unit of National Accounts Division, CSO.

- (v) Methodology/ model should be formulated/ developed in consultation with the RBI analyzing at least 60 months price data. An expert agency may be engaged for this purpose, if required.
- (vi) A centralized budget provision for data collection for all CPIs and WPI should be made in the budget of the Ministry of Statistics and Programme Implementation.
- (vii) The Prices Unit of National Accounts Division, CSO should serve as the consolidated focal point for integrated release of price data, even if individual indices are prepared by the responsible agencies. It should include all the population segment-wise CPIs and WPI along with the CPI-U and CPI-R as also estimates of inflation rates based on the these indices. Prices Unit of National Accounts Division, CSO should also release all the de-seasonalized price indices along with associated inflation rates. These releases should be accompanied by a note explaining the differences among the different indices.

4.6 The Labour Bureau, which was represented in the Committee, submitted a dissent note. It was stated in the dissent note that the recommendation of the Committee on Price Statistics for integration of price collection system between CPI-IW and CPI-U and between CPI-R and CPI-AL/ RL is neither feasible, technically and administratively, nor desirable.

4.7 The Planning Commission was also represented in the Committee. The concerned representative, while stating that the integration of price collection mechanism recommended by the Committee is a major reform in the collection and release of prices statistics in the country, made a few observations, as summarized below.

- It is a fundamental principle, that statistics must always be collected by a neutral body, at arms length from any user agency, which would always be seen as an interested party. This undermines the credibility of the price statistic being collected.
- Labour Bureau collects its data through state organizations. This introduces a great degree of heterogeneity and errors. Planning Commission has a long experience of the use of price indices in poverty estimates, and the price data compiled by the Labour Bureau has often been problematic (Deaton and Tarrozi, 2000; Deaton, 2003).
- CPI-IW is not even truly representative of the industrial workers, as it does not cover construction workers.
- The Expert Committee has made a very sensible suggestion that field data must be collected by a unified agency namely the CSO. Labour Bureau can always select its own weighting diagram and even use a subset of the centres from which the CSO data is compiled, and then use it for compiling its own index. This, in no way, takes away its freedom and independence, and yet, the reliability of price statistics in the country would be greatly enhanced

4.8 The report of the Committee which includes the notes received from the Labour Bureau and the Planning Commission was uploaded on the official website of the MOSPI inviting comments and suggestions. The report was also sent to a few experts and Associations/ Unions requesting them to give their views and suggestions.

Recommendations of the NSC

4.9 The NSC considered the report of the Mundle Committee in the light of the views received from various quarters on the report and accepted the report. It was reported to the NSC that weighting diagrams for the CPI (Rural) and CPI (AL/RL) are derived from the quinquennial Consumer Expenditure Survey (CES) results of the NSSO and that both these series are due for revision on the basis of the NSS 68th Round CES results. In other words, the item composition for these CPI series would be derived from a common set of items covered under CES, which would result in having a few common specifications for items in both the series. Prices are collected once in a month for both the series. Hence, the NSC recommended integration of price collection in the rural areas by selecting villages to be covered under CPI (AL/ RL) from those selected for the CPI (Rural).

4.10 With regard to the integration of price collection for CPI (Urban) and CPI (IW) recommended by the Mundle committee, the issues raised by the Labour Bureau appear to be more as factors to be carefully considered while integrating the data collection mechanisms, rather than reasons for not attempting it. The Mundle committee specifically recommended that while integrating the data collection arrangements for CPI – U and CPI – IW, the selection of markets, price collection centres, and individual items, including product specifications and brand names, must fully meet the requirements of the Labour Bureau for producing CPI – IW series which is robust, credible, and acceptable to the stake holders of the Labour bureau. There can be no reason left for not integrating the data collection mechanisms. It was also reported that both these series are due for revision. Hence, the NSC recommended that data collection mechanisms of both the series may be integrated. The TAC on SPCL may work out further details in consultation with the Labour Bureau.

4.11 The MOSPI is requested to coordinate the implementation process in respect of the aforesaid recommendations. Resources may be provided in the NSSO (FOD), the CSO and the other official agencies to provide an end to end solution for the entire process through a centrally sponsored scheme.

General standards on price statistics

4.12 The issue of integrating price data collection mechanism needs to be looked into, not only in the context of cost effectiveness, but also to meet the requirements of quality, credibility and timeliness. It is necessary to develop strict standards and protocols to be followed by official agencies. The NSC has

recommended a Code of Practice for producers of official statistics in its Annual Report for 2010-11. In addition to the good practices mentioned in the Code, the following guidelines, if followed in letter and spirit, would bring more credibility to price statistics collected by official agencies at the Centre and in the States/ UTs.

- (1) The metadata on price statistics shall include details of specifications of commodities, and markets (names) from which data is collected.
- (2) Dissemination plan for release of indices (provisional as well as final) shall be pre-announced. When an index is released, weighted response rate shall also be disseminated.
- (3) Immediately, after releasing final index, the relevant unit-level data after suppressing the identification details of informants shall be placed in the public domain or made available to users within and outside the Government.
- (4) The price data collection shall be done under the provisions of the Collection of Statistics Act, 2008, so as to ensure that data collected is genuine and is owned by the concerned informants, before it reaches the official agencies. The personnel engaged in data collection, supervision and processing shall be bound by the provisions of the Act.
- (5) The data collection should be subject to strict supervision, both on-field and off-the field. A provision should be made in the system to verify, on a random basis, the price data furnished by any informant (say, a shop keeper) from a neighbour informant.
- (6) Methodology for tackling non-response, action to be taken when any commodity disappears from the specified markets, and for substitutions shall be pre-specified.
- (7) It would be better to ensure data flow from the field through a dedicated web portal designed for the purpose.
- (8) A dedicated server shall be made available at the Hqrs of the concerned official agency to receive data from the field, process it and generate required reports. Necessary software shall be got prepared and uploaded in the server.
- (9) Communication channels between Hqrs of the concerned official agency and the field personnel shall be established, to tackle inconsistencies found in the data expeditiously.
- (10) Indices must be available at State/ UT level and for important urban centres. Indices must also provide not only comparison over time but also across different States/ UTs/ major cities at a given point of time. Thus, it is important to have spatial indices also. Indices may be provided for important occupational classes as well.
- (11) Price is a sensitive issue and therefore, price data collection should not be treated as a non-professional or a part-time job. It is very much necessary to ensure that price data that is collected every week/ month, relates to the pre-determined commodity

specifications and not of others. Hence, regular data collection mechanism is required.

- (12) At present, a few official agencies at the Centre and in the States/ UTs have been compiling indices. This is a case of some amount of avoidable duplication, in case of indices whose weighting diagram is derived from a common data base, say the quinquennial consumer expenditure survey data of the NSSO. Integration of price data collection mechanism recommended by the Mundle Committee is a starting solution to the issue. The matter needs to be considered through a process of consultation, preferably in the meetings of Central and State Statistical Organisations (COCSSO) to arrive at an amicable solution and avoiding wastage of resources.
- (13) All the data collection agencies shall invariably furnish unit-level data to the CSO and the CSO shall maintain an inventory of all the unit-level price data collected by official agencies in the country. The CSO shall release broad commodity-wise price data (in terms of ranges) at least half-yearly.

4.13 The Central Government may implement the recommendations given in para-4.12 in consultation with States/ UTs and also provide adequate resources, where necessary.

Regional price variation

4.14 With regard to making meaningful analysis of regional variation in prices, the NSC reported in its Annual report for the year 2009-10 its decision to commission papers from experts on 'methodology for compilation of Spatial Price Indices to depict the differentials across different States/ UTs and major cities'. Accepting the invitation of the NSC, Prof. Amita Majumder of the ISI, Kolkata contributed a paper on this issue, titled "Methodology for compilation of spatial price indices to depict the differentials across different States/ UTs and major cities". The paper has been accepted by the NSC and the NSC desired that it should be published in 'Sarvekshana', the publication of the NSSO. The NSC recommends that the paper may be used by the CSO to develop suitable methodology to guide all the official agencies in compiling spatial indices.

CHAPTER-5

DATA MANAGEMENT

5.1 The NSC held a series of meetings with some of the noted academicians across India during the year 2010-2011. Among many suggestions received from them, one was on the availability of Indian official statistics in a form suitable for cross-tabulation and analysis. Some academicians had difficulty in using unit-level survey data because of the data structures of different NSS rounds, particularly of the old NSS rounds. In a connected context, there was a mention about data warehousing on a common platform for easy dissemination.

5.2 The NSC constituted, on 30th July 2010, a Committee on Data Management under the Chairmanship of Shri Suman K. Bery, Member, NSC with the following terms of reference.

“Data Management using developments in information technology and dissemination conforming to International Standards”

5.3 The Committee submitted its report to the NSC on 1st August 2011. The recommendations of the Committee are extracted below.

“The recommendations are grouped into two main sections. The first one deals with continuing with the existing setup and integrating the data sources so as to provide data to the users through single window system. The second one deals with long term activity with the application of powerful IT tools integrating the entire gamut of statistics into single data warehouse server embedded with OLAP and OLAM Architectures to provide data through single window system adopting uniform format of data collection and dissemination system. The second one may be an ambitious goal but not difficult to achieve.

Recommendations to be taken up immediately (short term)

1. Data availability discussed in the annexure-2 of the report of the committee (Current national statistical system on key sectors) and issues discussed in the Chapter-1 of the report (of the Committee) may be the starting point. In every Ministry's web-site lot of information, data, reports, circulars, orders etc., are heavily loaded and some are up-to-date and some are not at all updated. All data sets are to be identified and converted into portable format (easy transfer of data set from one platform to another for further analyses and processing).

2. MOSPI being the nodal agency should enhance its resources in all angles like procurement and installation of latest Hardware & Software

and staffing of well trained Technical manpower to meet the requirement.

3. MOSPI should transform all its data set to a portable data set format.

4. All data sets generated by MOSPI, line Ministries and State Governments should be loaded into a main server with all meta data details using ETL tools.

5. There should be a mechanism to update and load the data as and when new data set arrives and also a national policy on archiving the old data set(s).

6. Data set should be split into micro data and macro data set stream if need be two independent servers for each category. For example, (in the case of NSSO-Socio-Economic Surveys, Annual Surveys of Industries, etc., unit level data is made available after suppressing identification particulars) micro level data could be provided to users on request after suppressing the identification particulars thus ensuring that the confidentiality part is not compromised.

7. For simple analyses, Table generation and Report generation suitable and compatible software packages should be integrated into the system to the benefit of all types of users.

The complete process is presented in the form of simple and easily understandable multi-tiered Architecture scheme. Many conceptual portions have already been dealt in the chapter-2.52 of the report (of the Committee).

Recommendations to be implemented over a period of time (Long term)

This section is to recommend state-of-the-art IT application and integration of IT solutions in the national official statistical system. There should not be constraints and excuses on the premises of resources, manpower and changing technical and technological adoption. Though the recommendations are essential, implementations are time consuming due to various factors like attitudinal overhaul, approaches, commitments evaluation and migration from traditional set-up to technology driven set-up. This approach integrates hi-end data warehousing and data mining solutions embedded with online analytical processing (OLAP) and online analytical mining (OLAM) tools.

The following are recommended:

1. First and foremost requirement in case of decentralized data generation process is to define and adopt a uniform data format right from grass root level. It could be lowest level, say village level or ultimate micro level like household or an individual to country level, data set should be uniform, single data format and easily portable. Various proprietary and free software are available, which could be made use of for the purpose.

2. After having defined and standardized data set from different ministries, state governments and other data producing agencies, integrate them and transform and load them into centrally managed data warehouse server. Here, application of ETL tools are necessary, to transform the different data sets and load into compatible data warehousing server. Meta data and data-marts would also be taken into account.

3. OLAP and OLAM servers should be built on the nation-wide data warehouse to enable the users to have analyses, query based filtering mechanisms, generate tables and reports and go into data mining solutions. The entire three steps approach is depicted in the two figures, data warehouse architecture and OLAM Architecture given in the report.

The basic requirement is dedicated team of officers well versed with technology and statistics, cooperation of all line Ministries and of-course dedicated connectivity among MOSPI, line Ministries, State Governments and other data producers. User would be able to access all types of data say, micro, macro and derived data from single window.

1. Computer aided telephonic interview (CATI) and computer aided personal interview (CAPI) are very common method of data collection among the developed countries during the last 15 to 20 years. MOSPI should initiate data collection process in respect of all the surveys it conducts using computer assisted (computerized) data collection process. This helps in not only speedy data processing but minimize human errors at various stages of data collection and processing.

2. Evaluate and implement of end-to-end automation solution in the data process of NAS, NSSO-SE Surveys (collection to release of reports), Economic Censuses (collection to release of reports), IIP, ASI (collection to release of reports), and AS (collection to release of reports), by suitably deploying HW, SW and skilled manpower. Good example is CPI (New Series)

3. Set up Secured data centers to access confidential data by the authorized user. The data type could be sensitive like tax data, banking data, criminal records, etc. All required permission should be taken

from the respective data producers to give access to licensed user in a secured environment. This would enable the licensed user to do all sorts of data analyses without taking the raw data.

4. Subscribe and take part in Statistical Data and Metadata eXchange (SDMX) programme. A widespread problem in data management in country like India is lack of harmonisation across different fields of statistics in a country, even within the same national organisation. This is often related to the statistics production being organised in so-called stove-pipes, or independent production lines. To overcome these problems, there has been a strong tendency in NSOs towards standardisation and integration, breaking down stove-pipes. This leads to the creation of corporate statistical data warehouses, bringing together statistics on different subjects under one system. The stated aim of SDMX is to develop and use more efficient processes for exchange and sharing of statistical data and metadata among national, international organisations and their member countries. The SDMX standards are designed for exchange or sharing of statistical information between two or more partners.

5. To implement the data management project of this mammoth dimension at national level, it may be appropriate to create a new division in CSO with dedicated composition of requisite manpower and other resources (H/W, S/W, Dedicated WAN (Optical Fiber Networks, etc.). As proper coordination with line ministries and State Governments and other national and international agencies are involved, the Data Management Division should be managed by an ISS officer at Special DG level with other well trained supporting Statistical Personnel namely 4 ADG, 6 DDG, 12 JAG, 24 STS/ JTS level ISS Officers with suitable supporting Programmers, Database Administrators, System Analysts and other supporting staff. In each state the staff size required is 1 DDG, 2 JAG, 4 STS/ JTS level ISS officers. This Division could be expanded over a period of time while expanding its functioning.”

5.4 The report of the Committee was uploaded in the official website of the MOSPI inviting comments and suggestions. The report was also sent to a few experts requesting them to give their views and suggestions. The views and suggestions received were considered by the NSC in its 47th meeting.

5.5 Comments received on the Report of the Committee ranged from continuous upgradation proposal, due to dynamic nature of computer technology, to cloud systems. It became clear to the NSC that the broad nature of initial steps to implement the data management project of this mammoth dimension would require -

- (i) formation of a dedicated core group of computer personnel within the MOSPI,

- (ii) entrusting the responsibility for identification of both hardware and software with the core group,
- (iii) formulating data structure for archiving data from multi-location in a manner that it should have in-built mechanism for easy dissemination, and
- (iv) continuous upgradation of knowledge of the core group members.

5.6 The report of the Committee has been forwarded to the MOSPI. The NSC accepted the report of the Committee and the comments/ suggestions received on the report mentioned at para-5.5, and recommended for their implementation by the MOSPI in consultation with line Ministries at the Centre.

CHAPTER-6

UNORGANISED SECTOR STATISTICS

Introduction

6.1 Unorganised or informal sector constitutes a pivotal part of the Indian economy. More than ninety percent of workforce and about fifty percent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities. The National Statistical Commission (2001) and several expert committees recognized the need for unorganized sector statistics with standardized concepts, definitions, coverage and comparability over time and space. To examine this issue in all its dimensions and to make necessary recommendations, in July 2010, the National Statistical Commission (NSC) constituted a Committee on unorganized sector statistics under the chairmanship of Prof. R. Radhakrishna, Chairman, NSC. The main terms of reference of the Committee are:

- To examine the existing definitions of unorganized/ informal enterprises and employment and suggest appropriate modifications with specific objective of their amenability for amendment that would facilitate better measurement.
- To identify major data gaps relating to unorganized enterprises and unorganized workers.
- To review existing methodologies and arrangements for estimating unorganized/ informal employment and income arising from unorganized/ informal enterprises and suggest modifications.
- To examine the existing databases for estimation of income and employment in unorganized/ informal sector and suggest improvements.
- To analyze the present system of data collection relating to unorganized/ informal sector and suggest modifications needed in the coverage and content in the existing surveys or new surveys.

Recommendations of the Committee

6.2 The Committee submitted its report to the NSC in February, 2012¹. The recommendations of the committee are given below.

- i. The Committee observed a number of gaps in the statistics on enterprises and employment in informal sector in India and found these gaps emanate largely from the divergence of the existing

¹* The report was uploaded in the website of the MOSPI inviting comments and suggestions.

data collection mechanisms relating to concepts, definitions and coverage required for an effective data system conforming to the ILO frame work. The Committee considered the unorganized sector in a holistic perspective, in terms of their characteristics, their linkages and inter-relationship with organized sector as well as linkages with institutions and processes such as credit, marketing, trade and risk management. The Committee recommended that a dedicated unit should be created within NSO for standardizing concepts, definitions and harmonization thereof and promoting their use in census and surveys. This unit would also regularly interact with all national level institutions involved in conduct of such surveys on the need for adopting harmonized concepts and definitions.

Informal Employment

- ii. The Committee noted that the present questionnaire of NSS Employment and Unemployment Survey (EUS) was very lengthy. However, in view of the importance of data on informal employment, the Committee suggested the incorporation of a few more probing questions pertaining to informal characteristics of the enterprises and the workforce, particularly in the quinquennial surveys. If such an augmentation is not feasible, then a full-fledged survey confined only to informal sector (based on usual activity approach for principal and subsidiary status) should be conducted as a follow up of EUS survey.
- iii. A major limitation of the EUS is inadequate information on the quality of employment. The Committee recommended that some additional items of information to capture the quality of employment (productivity, duration, regularity of work, security and safety), with proper specification, could be incorporated in the survey instruments. The Committee also recognised the importance of statistics on earnings. However, there were constraints in the collection of reliable data on earnings from self employment. To overcome these limitations, the Committee recommended undertaking of appropriate methodological studies by identifying specific indicators and data needs.

Annual EU Surveys

- iv. The recent initiative of the Labour Bureau to conduct Annual EUS is primarily meant to study the impact of economic volatility on the labour market. However, the surveys do not distinguish formal and informal employment. The Committee while appreciating the initiative suggested that the Annual EUS be redesigned to capture the informal employment as well.

Informal Agricultural Enterprises

- v. The Committee recognized the importance of cost of cultivation data in bridging the vital data gaps for studying various aspects of farm enterprises and recommended that the Comprehensive Scheme for Study of Cost of Cultivation should be strengthened by inducting inbuilt mechanism of data validation, consolidation and dissemination and the central unit managing the cost of cultivation studies in the Ministry of Agriculture should be suitably strengthened and the validated unit level data should be put in public domain. In the process of data dissemination, corrections incorporated at the central unit level should also be communicated to the primary data collection units (i.e., Agricultural Universities).
- vi. The Committee noticed virtual absence of data on the construction sector. Since informal workers are found in large number in this rapidly expanding sector, the Committee recommended that a special survey on informal sector relating to construction activities be undertaken on a priority basis.
- vii. The Committee noted that the Ministry of MSME was taking initiative to evolve production index based on MSME census/ sample data. For enhancing the utility of MSME surveys and their comparability with other surveys of unorganized sector, the schedule of enquiry should incorporate information on the type of enterprises, and the employment size. The Committee suggested that the unit level data of MSME surveys should also be placed in the public domain, maintaining the confidentiality.
- viii. Considering the important role of micro, small and medium enterprises in the national economy, the Committee recommended that systematic studies may be undertaken on their role in terms of output, employment and export. In addition, it was recommended that sponsored studies should be undertaken on value added and technology absorption in these enterprises.

Economic Causes

- ix. Economic causes assume critical importance since it is the only source for statistical frame for most sectors. In view of the weakness and deficiency in the data-capture, coverage and under-reporting as observed in the past Economic Censuses (ECs), the Committee recommended setting up of a permanent unit, both at Central and State level, in line with the Population Census, to conduct the ECs at regular and fixed interval of five years. The Committee recommended that the Central and State units should be equipped with adequate manpower and financial resources and with the provision to enhance the capabilities of human resources

through up-to-date training. The human resources should be capable of updating the EC frame and preparing the Business Register during the inter-census period based on administrative records. The guidelines of the Working Group on Business Register constituted by the MOSPI should be followed. The Committee also recommended that the quinquennial Economic Census results should be published, and made available to all levels of government and other users, ideally a year before the preparation of successive Five Year Plans, bringing EC in alignment with Planning cycle.

- x. The MOSPI Working Group on the Sixth Economic Census suggested a number of measures to strengthen the Economic Census. The Committee recommended that these suggestions should be adopted as guidelines for the conduct of the Sixth Economic Census and their efficacy should be reviewed subsequently in the light of emerging experience.
- xi. The Committee recognised the critical importance of training in the conduct of Economic Census and recommended that arrangements be made, first, by extending the training period to minimum of three days, and second, to reduce the number trained at any place to be of moderate size. The training of lower level officials should be by an experienced core group of trainers to avoid failure of 'instructional trickle down'.
- xii. The National Strategic Statistical Plan (2008) and the India Statistical Strengthening Project (ISSP) recognised the need for adequate, careful and urgent attention towards enhancing the capacity of the DES to organise large-scale surveys, use of advanced software for processing and report generation. The Thirteenth Finance Commission recommended financial aid for improving statistical competence of the DESs at the District level. The Committee recognised the need for strengthening EC in evolving a dependable Business Register for introducing Annual Survey of non-manufacturing industries. The Committee therefore recommended a planned programme to bring the four complementary projects viz., (i) Economic Census, (ii) Business Register, (iii) Annual Survey of Industries and (iv) Annual Survey of Non-Manufacturing Industries (including construction and ITC sector), on a compatible platform to derive fuller advantages of complementarities. The Committee also recommended that this programme should be treated as a Central Sector Plan Scheme.
- xiii. In view of non-availability of school teachers² for data collection and survey activities, the Committee recommended the need for

^{2*} There was a Supreme Court judgment against the use of school teachers for the collection of data and survey activities.

evolving immediate solution in the case of conduct of EC by adopting a strategy of attracting qualified people who are currently unemployed with suitable incentives and providing them appropriate training.

Economic Contribution of Informal Sector

- xiv. The Committee recommended that a system for statistics on informal economy should have the mechanism to capture data on direct and indirect linkages between the formal and informal sectors, taking into account aspects like (i) forms of organisation, (ii) existence of differences in employment status like unpaid family workers including self employment, women's participation in extended SNA activities, (iii) variation in the nature of unorganised sector across different locations, and (iv) vulnerability of unorganised sector to shocks.
- xv. The Committee felt that there was an urgent need to improve the methods of arriving at estimates of GVA from service and construction sectors based on sound methodology and database, separately for organised and unorganised segments. The Committee also recommended that 'satellite account' for the unorganised sector be prepared once in five years.

Credit Issues

- xvi. The Committee recognized that there was no unique system which captured credit information in respect of unorganized sector enterprises satisfactorily. In order to effectively address the issues concerning informal sector enterprises, the Committee recommended development of a suitable frame of the unorganized sector enterprises. The classification and coding system that will be used to collect data on credit, production, value added, employment and other related information from the same set of entities should be made compatible with the BSR coding system. To capture such data, surveys are to be undertaken on the lines of NSSO's AIDIS/ Enterprise survey at least once in five years using this frame and classification/ coding structure.
- xvii. The Committee recommended that the Enterprise Surveys of the NSSO/ CSO need to specifically cover financial service enterprises and provide data needed to derive value-added details as also the details of credit. The RBI should closely liaise with the CSO and the NSSO on technical aspects of these surveys and ensure coverage of all known household financial enterprises like, share brokers, multani shroffs, chettiars, marwari kayas and pawnbrokers and various kinds of moneylenders.

- xviii. In order to collect financial data in respect of all NGOs and SHGs involved in micro financing, the Committee recommended that a sample survey of NGOs and SHGs should be undertaken by the NABARD at quinquennial intervals. NABARD may also consider collection of such data at more frequent and regular intervals. Apart from nation-wide surveys which provide macro-estimates, considering the diversity across regions, it is necessary to promote regional and micro-level studies on the informal financial sector activities.
- xix. The Committee noted some serious data gaps on the linkages between the informal and formal sectors and recommended that these information gaps be plugged and, data be made available in a studied manner, to provide adequate basis for promotional and other policy issues. The Committee identified some areas for periodical studies on linkages between formal and informal sectors. It recommended special studies on linkages between formal bank finance and NBFCs and their operations, linkages between formal bank credit and the lending activities of micro-credit/ microfinance sector, linkages between banks and informal indigenous financiers including money lenders. It also recommended studies on the role of formal banking system in loans for unorganised sector vis-à-vis unorganised sector deposits.
- xx. On the aspects of credit flows to informal sector, the Committee noted that the database maintained by the RBI did not have anything specifically related to unorganized sector. The Committee recommended that the details collected under various returns of the RBI should be tabulated against the informal financial sector to understand the extent of linkages between the formal and informal segments. A few tables presenting disaggregated data in the BSR volumes for scheduled commercial banks are based on only large loan accounts (that is, presently with credit limits of above Rs. 2 lakhs). Under many sub-categories represented in them, small-size accounts are sure to be important. To present consolidated accounts of such distributions, it was recommended that the RBI may make use of its sample surveys on small borrowal accounts, presently undertaken biennially, and explore aggregate estimation for the relevant categories covering both small and large accounts.
- xxi. Though priority sector credit has come to assume critical importance, there are gaps in information relating to some of the informal activities. A major gap in the data base on priority sectors, particularly in favour of agriculture, concerns the absence of data on shortfalls and the consequential allocations under RIDF. It is recommended that the RBI should set out a full picture of these shortfalls and the operation of the RIDF arrangement. Further, from the year 2008 onwards, the RBI has received the BSR guidelines

and introduced a new 'category of borrowers' covering the various sections of SMEs and farmers. The entire data set for these categories deserves to be disseminated by the RBI on a regular basis. Apart from credit extended by scheduled commercial banks, institutional credit advanced by (a) the co-operative sector, and (b) by SIDBI and SFCs, should also be covered in total credit flow and/or outstanding in favour of different categories of informal sectors.

Linkages between Formal and Informal Sectors

- xxii. The Committee recommended that a task force be constituted by the NSO to examine and bring out an Input-Output (I-O) Table for the unorganized sector, to begin with on the basis of the readily available data-sets, and then suggest measures to overcome problems faced in preparing the I-O table. The suggestions should aim at bringing out a comprehensive I-O table combining both the organized and unorganized sectors.
- xxiii. The importance of the informal sector in meeting the requirements of formal sector as a supplier of inputs and services is well acknowledged. The Committee recommended that the National Statistical Organisation (NSO) may formulate methodological studies for strengthening data base on such aspects of linkages of informal sector and formal sector as well as their relevance in activities like trade.

Sustainability and Risk

- xxiv. The Committee recognized the development concerns of unorganized sector in the wake of its vulnerability of operation, sustainability and risk arising out of factors such as suspension/ stoppage of credit flows in terms of cash or raw materials, suspension/ stoppage of access to markets and other non-market factors such as absence of information, communication and connectivity but noted that there were many causes to affect the smooth entrepreneurial activities leading to death of such enterprises. The character of risk and its management for the sustainability were different for different industries and as such, the Committee recommended that it would be best to undertake case studies or type studies or pilot surveys to investigate the data needs for understanding vulnerabilities.

Institutional Issues

- xxv. Statistics on informal sector are generated primarily through large scale sample surveys involving personal interview approach. Keeping this in view, the Committee recommended that the primary field workers should not only have minimum educational standard,

but also working knowledge of English, proficiency in the language of the region, and basic knowledge of computers. To ensure sufficient number of field workers in NSSO in each region with knowledge of regional language, the Committee recommended for necessary amendment of the recruitment rules.

- xxvi. The Committee recommended filling up all the vacant posts of investigators in FOD. In this regard care should be taken that appropriate 'language and culture' qualifications have been adopted for recruitment to regional offices. Supervisory officers should also know the local language to ensure proper inspection and scrutiny standards.
- xxvii. The present recruitment procedures are to be streamlined to avoid undue delays in recruitment and a Committee may look into the matter. In the interim, a provision to be made for recruitment of field investigators with 30 percent induction through local recruitment and seventy percent through Staff Selection Commission.
- xxviii. In the eventuality of hiring contract investigators in FOD and to minimise the loss of experienced staff and training expenses, the Committee recommended that contract workers with about two years' experience could be given an opportunity to enter regular service through Limited Departmental Examination.
- xxix. For improving the respondent's cooperation towards surveys, the Committee recommended for strengthening measures to sensitize the general public on the importance of data through publicity. Any large scale survey should be preceded with adequate publicity.
- xxx. The Committee felt that there were failures to initiate surveys in minor agricultural crops, horticulture crops, floriculture crops, aromatic and medicinal plants to provide information to compile basic data required for the National Accounts Statistics (NAS). This has resulted in adoption of roundabout estimation procedures by the NAD especially in agriculture and allied activities and construction. The Committee recommended that these limitations should be rectified by initiating special type studies on priority basis.
- xxxi. In view of the severe data gaps in the unorganised sector, the Committee reiterated the recommendation of the Rangarajan Commission (2001), that "State Forest Departments should be adequately supported by the establishment of appropriate statistical units to oversee the collection and compilation of forestry statistics from diverse sources on forest products."

Dissemination of Informal Sector Statistics

- xxxii. The Committee felt that effective dissemination of official statistics on informal sector should also be an important function of a desired system of statistics. The Committee recommended that regular and timely dissemination of informal sector statistics collected by the public agencies should form part and parcel of the national policy on dissemination of statistics.

Expert Suggestions

6.3 While endorsing the recommendations of the Report of the Committee, some of the experts, to whom it was sent for comments, highlighted the significance of the recommendations, and these are summarized below:

- i. Establishment of a dedicated unit within NSO for standardizing concepts, definitions and harmonization, should be followed up with the formation of dedicated teams responsible for data collection, compilation etc. at the State and local government levels.
- ii. After agriculture, construction sector is the one that employs large number of women. Paying special attention to employment in construction sector statistics in both organized and unorganized sector would also help in evolving and implementing gender-based policies. There is need for mainstreaming gender in data collection in all informal sector activities. There is also need to improve data and methodologies for assessing the contribution of women's domestic work to national product.
- iii. In unorganized or informal sector, social dimensions like caste, religion etc assume significance and this should reflect in attention paid to data collection relating to enterprises and employment.
- iv. From the point of employment, income generation and exports, MSMEs are acquiring more significance. More reliable data on these aspects as well as the household and MSME credit sources are essential for appropriate policy intervention.
- v. Regularity, reliability and timeliness should be given utmost attention in generating informal sector statistics.

6.4 The NSC accepted the Report of the Committee as well as the expert comments. The NSC forwarded the Report to the MOSPI with the recommendation to initiate appropriate steps towards its implementation.

CHAPTER-7

POOLING OF CENTRAL AND STATE SAMPLES IN NSS

Brief background

7.1 The National Sample Surveys (NSS) are conducted every year in the form of rounds and each round, normally of one year duration, is devoted to a socio-economic subject. The list of villages/ urban blocks (called 'first stage units') and a few households/ enterprises (called 'second stage units') selected scientifically are surveyed in each round. The first stage units are selected in the form of two sets. The first set is known as the central sample, which is surveyed by the National Sample Survey Office (NSSO) and the second set is called the state sample, which is surveyed by the participating States/ UTs. The results compiled by the NSSO through the data on central samples provide estimates of reasonable precision at State level. The NSSO brings out these results for every round. In the case of state samples, it was observed that not all the concerned agencies at state level have been able to process their data and bring out results.

7.2 With the decentralization of governance and planning, there is a requirement of estimates on different socio-economic parameters at sub-state level. On consideration of survey sampling, this can be achieved only by pooling the data/ results of the central and state samples. The Rangarajan Commission (at para-9.8.24 of its report) recommended that the state sample data should be processed regularly within a reasonable time after completion of fieldwork and attempts should be made to obtain and utilise pooled estimates by combining central and state samples.

7.3 Set in motion by the 73rd and 74th Constitutional amendments that gave greater responsibilities and powers to the panchayats and nagar palikas, there is now an increasing demand for sub-state level data for decentralized planning. It is possible to estimate separately the socio-economic indicators at the district level using the central sample and the state samples. However, indicators can be estimated at the national level, the state level and also at the district level with much higher precision if both the central and the state samples are pooled together in the process of estimation. Yet, no pooling has been done so far. As a matter of fact, the state samples largely remained unutilized over the years, leading to huge loss of resources in terms of state level statistical manpower, also time and money.

7.4 In far as the sampling designs employed in the NSSO rounds are concerned, there is no theoretical difficulty for pooling. The main reason for failure was that no target dates were fixed for pooling, leading to unmatched time frames at the centre and by different States. Other than a matched data collection schedule for the NSSO and the States, no planning ever took place

to have a common time frame for data entry, validation and processing to ensure that data at the State level would be available along with the data of the NSSO for pooling. Solution for this problem appears to have not been tried out because different states had different priorities in using multi-functional state personnel. Some informal discussions were made in the Conference of Central and State Statistical Organisations (COCSSO), but no clear approach to a solution could be identified.

7.5 There is a perception that the personnel engaged in the activities connected to NSSO State sample are also assigned other priority tasks in the States, the statistical personnel engaged for data collection operations in the States have less capability than their counterparts in the NSSO, and the data quality in State samples is compromised. Since both the state and central samples are drawn independently from the same population using the same sampling design, there was a need to theoretically examine the perception on data quality.

Committee appointed

7.6 In view of the aforesaid considerations, the NSC constituted a professional committee on 30th July 2010 under the Chairmanship of Prof. R. Radhakrishna, Chairman, NSC with the following terms of reference.

- (1) Conditions to be fulfilled for pooling of Central & State Sample NSS data
- (2) Methodology for pooling
- (3) Time frame by which the exercise needs to be completed by each State
- (4) Generating weighting diagrams from the pooled data at sub-state level for the purpose of consumer price indices (Rural & Urban) including occupation-specific indices such as CPI-AL, CPI-IW etc., from the NSS data on consumer expenditure surveys (quinquennial & thin sample)

Recommendations of the Committee

7.7 The Committee submitted its report to the NSC in November 2011. The Committee has given its recommendations in respect of five main aspects involved in pooling, as detailed below.

(1) Indicators to be pooled at sub-state level

- (i) The large array of parameters being generated through the NSS surveys in their respective cross classifications have varying degree of precision at National, State and sub-state levels on account of sample counts of observations. The precision of several parameters reduces at lower levels of survey domain. Hence, for the pooling purposes, it is prudent to prioritize the parameters for pooling,

taking into account the available sample size, non-response, non-sampling error at sub-state level and resultant expected reliability, in conjunction with the data needs at lower levels, such as districts. The Committee recommends that the District level estimates should focus on selected need-based and feasible important parameters at broad classification. Considering these aspects, very broad level indicators should be pooled at district level and these should be used after empirical validation for their reliability.

- (ii) The Committee noted the data requirements of the States for estimating State Domestic Product (SDP) and District Domestic Product (DDP) and recommended that pooling of estimates of work force participation rate, distribution of workers, gross value added (GVA) per worker in unorganized/ unincorporated enterprises should be attempted by all the states and utilized after their empirical validation as input for construction of SDP/ DDP.
- (iii) The parameters recommended for pooling from NSS surveys at sub-state level in respect of 24 indicators are given at para-6.4 of the Report of the Committee.

(2) Scope of poolability and measures to improve the poolability of central and state data

Given the survey design and methodology for pooling of central and state samples, it is important to ensure that non-sampling errors are minimized in both the samples. Conceptual errors that could be committed by investigators at the time of data collection are a major source of non-sampling errors. This could be addressed through proper training to field investigators as well as regular monitoring of their field work through field inspection and field scrutiny of schedules canvassed by them. Another major source of non-sampling errors is the errors made in transcription of the filled-in schedule into digital form. This problem could be handled appropriate data transcription software as well as data validation software to reduce errors and inconsistencies in data files. Data inconsistencies are reduced by validating data through a set of validation checks mentioned in the relevant manuals as well as computer scrutiny programmes provided by the NSSO to its staff as also to States/ UTs. Harmonization of methods of data collection and processing is also very important to meet the demand of pooled estimate at sub-state level. Uniform concepts and definitions are to be followed by the field staff of both the NSSO and the States/ UTs. Committee therefore recommended that:

- a) A combined RTC (Regional Training Camp) be organized for staff of both Centre and State by regional office of NSSO for ensuring use of uniform concepts/definition/instructions and clarifications and to reduce non-sample errors. Duration of RTC should be at least 4 days with two days intensive training, one day field visit and one day

reconciliation. Two officials from each district statistical offices (DSO) may be invited. Training should be given preferably in local language. State DES should also hold RTC at district level for at least 4 days in the line of RTC organized by regional office of NSSO.

- b) In the combined review RTC held at regional office of NSSO, few officers from DES may also be invited. This should be organized immediately after completion of field work of first few samples to facilitate the field investigators of both centre and state to get uniform clarifications on the conceptual problems faced by them while doing the field work. State DES should also hold review RTC on the similar lines, associating their District level functionaries.
- c) Present system of joint inspection should continue but report should be prepared independently.
- d) Results based on central as well as state samples need to be released within 12 (twelve) months of completion of the field work of the survey round. State sample and central sample data should be pooled within 15 months after completion of the survey, ensuring the recommended procedures.
- e) The states should release their unit level data as soon as they are finalized.
- f) One of the key elements of pooling endeavour is the uniformity of data processing procedures involved in the different sets of data. Accordingly, it is essential that the State sample data is processed, ensuring the similar data entry layout as in case of Central sample. If the States are evolving their own data layout, as per their convenience, then the State data should be harmonized with the layout of Central data. All State DES's also need to ensure the compatibility of computer scrutiny/ validation instruments and software for processing of state samples etc and be aligned with NSSO. To facilitate this, NSSO has to play a greater role to supply data entry layout and stabilized data entry software, computer scrutiny/ validation software earliest on commencement of the field work of a particular round of survey after finalizing them through testing on live data. This process should ensure timeliness in processing of state sample data.
- g) For substantial improvement in reliability of the pooled estimate, the measures to control non sampling errors and ensuring quality of data collected by the two agencies must be of prime importance. Before pooling the two sets of data, the poolability of two sets of data may be tested.
- h) For those characteristics which are known to be distributed as Normal, poolability of the two sets of central and state data may be tested by

standard parametric tests such as Z-test. For those characteristics for which transformation makes them Normal, such methodology may be adopted. In most of the situations where the distribution is non-normal and unknown, the two sets of data may be tested through various non-parametric tests such as those laid down in para-4.1 of the report of the Committee. For discrete data, Standard tests of equality of proportions based on binomial distribution may be used and for multinomial distributions relevant chi-square tests may be used.

- i) It is also recommended that a parametric and non-parametric test for poolability may be applied and if both tests reject the null hypothesis, pooling may not be advisable. If one test accepts and other rejects the hypothesis, further probing may be done before pooling is attempted.
- j) The Committee has decided to conduct analytical exercises on poolability at sub-state level. The experimental analytical exercises conducted in few States confirmed that poolability of Central and State sample data is possible at sub State/ District level. Further, the empirical results proved that the poolability of the two sets of sample data enhanced the precision of the estimates of the parameters.

(3) Methodology of pooling

Pooling method, given in Para 4.2.1 of the Report of the Committee, by weighing the central and state sample estimates in proportion to inverse of estimated variance of the estimates, requires computation of variance/ covariance of numerator and denominator of each cell at domain level. States having advanced computing skill may use this method, this being an optimum combination. The committee felt that in view of changing scenario in States and availability of latest computer facilities, it is better to use an optimum or near optimum technique, rather than go in for a easy way out. Furthermore, while recommending this method, the Committee also recommended that several workshops, brainstorming sessions and joint programmes should be organized to educate and help all States. It is expected that the NSC would support any such endeavor by the NSSO/ States.

- a) NSC may engage technical expert(s) to develop user-friendly Software to test poolability and to generate pooled estimates using the method suggested by the Committee.
- b) NSSO may create a dedicated unit to assist the States in pooling the Central and State samples.
- c) NSC may identify a few Regional Research Institutes to help the state DES in pooling of Central and State sample data.
- d) The state should constitute an Expert Committee to advise and guide the states in carrying out the pooling exercise.

(4) Preparation of weighting diagram for construction of CPI at sub-

State level: The committee also made a review of data needs to develop weighting diagram of Consumer Price Index at sub state level, using NSS consumer expenditure data and recommends that for this purpose, the weighting diagram may be evolved at district level by considering the budget share of broad item groups and for the share of detailed items within the broad item groups using NSS region level budget share obtained from quinquennial round data. Considering the constraint of sample size, the sub state level price index to be attempted at aggregated for rural and urban.

(5) Taking a comprehensive review of data needs at sub state level, the committee also recommends suitable augmentation of the sample size of central sample data, which will also strengthen the precision of pooled data.

7.8 The report was placed in the official website of the MOSPI, inviting comments and suggestions. The report was also referred to a few experts requesting them to give their views and suggestions.

7.9 The views and suggestions received on the report were considered by the NSC. The NSC is of the opinion that the estimates obtained through pooling are intended to convey better meaning to the situations at sub-state level in a more robust manner, reducing random variability. Hence, the approach recommended by the Committee is more pragmatic, in spite of procedural compromises, if any, made. The statistical issues raised by the experts could be looked into, while formulating sampling design for the future rounds of NSS. At the same time, the exercise of pooling recommended by the Committee needs to be followed to make best use of the available data to reap maximum benefit out of it. It would also be necessary to address the issue of outliers available in the two data sets, before the exercise of pooling is taken up. Hence, the report of the Committee has been accepted by the NSC.

7.10 The report of the Committee was forwarded to the MOSPI. The NSC recommended to the MOSPI, the implementation of the recommendations given in the report of the Committee.

CHAPTER-8

STATISTICAL AUDIT

Background

8.1 The NSC is mandated *inter alia* to exercise statistical audit over the statistical activities to ensure quality and integrity of the statistical products. The matter was considered by the NSC in its 30th meeting held on 17th & 18th February 2010 and it was decided to have a statistical audit conducted by Dr. N.S. Sastry, former Director General of the National Sample Survey Organisation (NSSO) on the all India Indices of Industrial Production (IIP) compiled by the Central Statistical Office (CSO), as a test case, before laying down comprehensive methodology for the purpose. Accordingly, Dr. Sastry was appointed on 9th July 2010 to take up the assignment. Hence, methodological framework was the main purpose and conducting audit on IIP was taken up as an experiment.

8.2 The terms of reference for the audit included studying deficiencies, if any, in the following aspects:

- (i) Planning process undertaken for producing the indices
- (ii) Action plan, if any, prepared for achieving different milestones in the process
- (iii) Basis for weighting diagram and selection of item basket and computation criteria adapted for the purpose
- (iv) Data collection mechanism
- (v) Data processing and dissemination mechanism

8.3 Dr. Sastry, the auditor, submitted his report to the NSC on 31st May 2011. The report was uploaded in the official website of the MOSPI inviting comments. It was also referred to a few experts requesting them to furnish their suggestions. Besides, the report was also sent to the source agencies of the IIP and the CSO (ESD) requesting them to give their comments.

Recommendations on methodology for statistical audit

8.4 With regard to statistical audit framework, Dr. Sastry considered various country experiences and recommended that the UK Model is the most appropriate one for India. The UK Statistics Authority's Monitoring and Assessment Team systematically reviews the evidence from producers, users and other stakeholders against the Code of Practice. The Head of Assessment is a member of the Board of the UK Statistics Authority. The post of Head of Assessment is a statutory post under the provisions of the Statistics and Registration Service Act, 2007 of the UK.

8.5 The aim of the UK Authority's assessment function is to promote and safeguard the quality of official statistics, good practice in relation to official statistics, and the comprehensiveness of official statistics. The assessment function will further aim (i) to help the producers of official statistics to enhance the quality of the statistical service over a period of time, and (ii) to communicate the extent of compliance with the Code to Parliament and the public.

8.6 Assessments will be conducted in accordance with the following five principles:

- Risk-based - prioritising those areas of statistical activity which are considered to present a risk to the quality and reputation of official statistics.
- Proportionate - taking account of the concerns and priorities of users of statistics.
- Cost-effective - making use of existing documentation where available, and avoiding unnecessary burdens on producers or users of statistics. In the interests of efficiency, the Authority may group together ('bundle') related statistics, or statistics with common features, for the purposes of assessment.
- Transparent - operating in an open manner which inspires confidence in the Authority's work.
- Consistent - applying the same principles and standards in all cases.

8.7 Assessments will:

- take place in accordance with a published programme, although *ad-hoc* assessments may be required from time to time in order to report on matters of public concern;
- take account of correspondence and discussion with the managers responsible for the statistics;
- take account of self-evaluation evidence from the relevant managers; and
- involve an opportunity for users of statistics and other stakeholders to contribute to the assessment, and explicitly consider any such contribution.

8.8 Assessment reports will also:

- be prepared in accordance with the Civil Service core values of integrity, honesty, objectivity and impartiality;
- be completed within a reasonable timescale;
- reflect the views and needs of users of statistics and other external stakeholders, and take account of all the available information, comparing the evidence against published standards and criteria;
- give a brief account of the assessment of compliance against each of the Code's main principles and protocols;

- list proposals and recommendations which promote and support improvement;
- be relevant and accessible - reporting findings and conclusions fairly, clearly, and openly and in a manner which is useful to, and understood by, producers, users and the public;
- present clearly the Monitoring and Assessment Team's conclusions in relation to the degree to which the statistics comply with the Code of Practice; the nature of any improvements needed; and a recommendation to the Authority as to whether the statistics should be, or should continue to be, designated as 'National Statistics';
- be shown to the relevant producer body in draft form prior to publication, in order to ensure factual accuracy;
- be published as soon as possible after completion.

8.9 Self-evaluations will be conducted using a standard template on written evidence for assessment about statistical product/ output and producer body's practices as a whole based on the Code of Practice and this will form the starting point for discussions between the Monitoring and Assessment Team and managers. This information will be supplemented by:

- any previously published reviews of the statistics;
- any other relevant information acquired by the Monitoring and Assessment Team at any time;
- any information submitted by users or stakeholders

8.10 The Statistics Authority's annual reports to the UK Parliament and devolved legislatures will list the assessments conducted in the previous year with their conclusions, as well as those planned for the coming year.

8.11 In view of the aforesaid principles in the UK system, Dr. Sastry made the following recommendations for the purpose of future statistical audits in India and resource requirements thereof.

- (1) On careful consideration of the country experiences in the context of the salient features of the decentralized Indian Statistical System, it is recommended that the UK Model is the most appropriate guide for instituting a system of statistical audits in India under the mandate of the National Statistical Commission. It is recommended that India should start thinking on the development of its own National Quality Assurance Framework, benefiting from its participation in the current deliberations of UN Statistical Commission and the outcome of the efforts of the United Nations Expert Group on National Quality Assurance Frameworks and making use of the mandate of the National Statistical Commission. Such a National Quality Assurance Framework, if and when developed by India, will provide the umbrella to the NSC for conducting statistical audit over the statistical activities to ensure quality and integrity of the statistical products.

(2) It is recommended that:

- An external statistical audit team leader should be selected for a specific audit on short –term contract from outside the Government to ensure impartial and independent audit report;
- The external audit team leader should be supported by a high ranking officer (an Additional Director General level experienced statistician) appointed by the NSC in the NSC Secretariat as Head of Statistical Audit Division on a statutory basis for a period of five years, who will report directly to the Chairman of the NSC;
- One Deputy Director General, one Director/Joint Director, two Deputy Directors and appropriate technical and administrative support staff should assist the Head of Statistical Audit Division.

8.12 The aforesaid recommendations of Dr. Sastry have been considered by the NSC and appropriate legislative and institutional framework for conducting statistical audit has been provided in the National Statistical Commission Bill recommended in chapter-2 of this report.

Context under which IIP is compiled

8.13 Under the Government of India (Allocation of Business) Rules, the MOSPI is mandated to compile and release the Index of Industrial Production (IIP) every month in the form of Quick Estimates. As per the norms laid down under the Special Data Dissemination Standards (SDDS) of the IMF, Quick Estimates of IIP of any reference month are to be released within six weeks from the reference month. The Economic Statistics Division (ESD) of the Central Statistics Office (CSO) under the MOSPI releases quick estimate of IIP in respect of any month within one month and 12 days. On the day of releasing quick estimate, first revision in respect of the IIP one month earlier to that of the quick estimate and final revision in respect of the IIP two months earlier to that of the quick estimate are also released. For example, on 12th March 2012, the quick estimate for January 2012, first revision for December 2011 and final revision for November 2011 are released. The source agencies are expected to furnish relevant data four working days prior to the date of release.

8.14 At the time of audit, the CSO (ESD) was compiling IIP with base year 1993-94. Data is received every month from 15 source agencies by the ESD in respect of an item basket containing 543 items clubbed into 287 item groups, namely, Mining-1, Manufacturing.-285, and Electricity-1. In respect of Mining, the Indian Bureau of Mines (IBM) compiles monthly indices and in respect of Electricity, the Central Electricity Authority (CEA) does the same job. The indices compiled by the IBM and the CEA are dovetailed by the ESD into the indices compiled in respect of manufacturing on the basis of appropriate weights and all India IIP are compiled and released.

Recommendations on IIP issues

8.15 The following are the recommendations made in the report of Dr. Sastry on statistical audit of IIP.

- (1) Scope of the All India IIP:** The scope of the All India IIP (Base 1993-94) may be enlarged in line with the scope of IIP recommended in the International Recommendations for IIP 2010 to cover additional economic activities for "gas, steam and air-conditioning supply; Water supply, sewerage, waste management and remediation activities" in case these economic activities are significant contributors to value addition in the Indian economy.
- (2) Industrial Classification:** As the All India IIP should use an industrial classification compatible with the one used in ASI, NIC-2008 based on ISIC Rev.4 is the suitable classification for All India IIP.
- (3) Sources of Data:** The CSO, which is the nodal agency and accountable for the overall quality of the All India IIP, must assume full responsibility for arranging the collection of source data directly from the units, the processing of primary data and the compilation of All India IIP by mounting a monthly sample survey of industrial production in addition to the existing Annual Survey of Industries under the Collection of Statistics Act, 2008 and the Rules framed there under.
- (4) The Business Register and the IIP:** Taking into account the welcome developments in the Economic Census in India and the international recommendations on the use of business register for planning a sample survey of industrial establishments to generate monthly production data for compiling the IIP, it is recommended that:
 - All the necessary technical improvements be made in the 2011(sixth) Economic Census to enable the preparation of a comprehensive Directory of Establishments employing 5 or more workers (a Business Register) including data items associated with units that are required for stratification, sample selection and contact purposes;
 - Arrangements be made to update the information in the Directory on a continuing basis using relevant administrative data bases such as taxation of goods and services, etc., in the inter-census years; and
 - The Directory be used to prepare a sampling frame of industrial units from which a representative and efficient

sample of units can be drawn for collection of monthly production data required for the compilation of the All India IIP.

(5) Variables and methods used to approximate industrial production for the IIP: The All India IIP is a quantum index, the production of items being expressed mostly in physical terms, without any adjustment for quality changes in the items over time. Consequently, misleading IIP results can occur where quality changes are not included in the change in volumes. However, the unit of reporting in respect of certain items like machinery, machine tools, ship building, etc. is in value terms. The monthly figure of production value in such cases is first deflated by the Wholesale Price Index (WPI) of the corresponding categories, released by the Office of the Economic Adviser, Ministry of Industry. Where value of output is used, the volume measure is obtained through the use of an appropriate price deflator. The price deflation process will ensure that any quality changes of the products are reflected in the production volume. Producer Price Indices (PPI) are to be used when current price values are deflated to achieve volume measures of output for the IIP. This is because the PPI directly measures product prices from the producer (both input and output product prices of the production process) and quality changes are usually taken into account. India does not have a Producer Price Index. The International Recommendations for IIP 2010 present the results of the quality assessment of industrial production data variables and methods. The results are presented as the set of 'preferred', 'alternative' and 'other' methods and variables for each ISIC Revision 4 class (4 digit) in-scope of industrial production. In the light of the International Recommendations for IIP2010 and the situation obtaining in the All India IIP (Base: 1993-94), the following measures are recommended:

- Examine the 'preferred', 'alternative' and 'other' methods and variables for each 4 digit NIC-2008 (based on ISIC Revision 4) in-scope of industrial production;
- Change the methods and variables to the 'preferred' categories in as many item groups as feasible;
- Identify the appropriate wholesale price indices relevant for use as price deflators, wherever deflated indicator is the preferred method;
- Make urgent efforts to develop the Producer Price Index for India so that a shift is possible in the near future from the WPI to the PPI.

- (6) Managing non-response/ missing data:** There is need to take all possible steps to minimize non-response/missing data. More efficient estimation procedure(s) than those followed at present should be developed for reliable estimation of production of non-responding units, which would, in turn, result into a more reliable series of IIP.
- (7) Updating the weights for the All India IIP:** Data availability is an important consideration in deciding the frequency at which the weights are updated for the product groups and industry branches of the IIP. For the All India IIP, Gross value added, as published in the National Account Statistics (NAS), is used as the weighting variable at the industry level. Currently the annual Gross value added estimates at the industry level for registered manufacturing in the NAS are based on the results of the Annual Survey of Industries (ASI) as soon as these are available. The data on Gross value added per worker for unregistered manufacturing are, however, available at approximately five yearly interval from the survey conducted by the NSSO as a follow-up survey to the Economic Census and are used whenever the base year for National Accounts Statistics is updated. It is recommended that the frequency of follow-up surveys to the Economic Census needs improvement, at least to alternate years in the inter-census period (usually about 5 years) so as to obtain more reliable estimates of Gross value added per worker for the unregistered manufacturing for use in the annual estimates of Gross value added in manufacturing. It is then possible to update the industry level weights for the All India IIP on an annual basis, using the Gross value added estimates as published in the annual NAS. In the All India IIP, allocation of weights to the items within 4-digit industry groups is done using "value of output" available from ASI and, therefore, there is no problem in updating the product/ item groups' weights frequently, at least every 5 years. If these measures are taken, shifting from the present unsatisfactory fixed base Laspeyres Index with inordinately long delay in the revision of base year to the Chained Laspeyres-type volume index with annually updated industry level weights and frequently (at least five yearly) updated product group level weights will be feasible for the compilation of the All India IIP. It is then possible for India to derive benefit from the most important recommendation on index compilation in the IRIIP 2010. Guidance is provided in the IRIIP2010 on the implementation of the recommended approach – an annually chained IIP of the Laspeyres type with particular emphasis on procedures relevant to transition from a fixed weight index. In the light of the above discussion, it is recommended that:

- A shift from the present fixed base Laspeyres Index to the Chained Laspeyres-type volume index with annually updated industry level weights and frequently (at least five yearly) updated product group level weights should be planned and implemented in the medium term (five year period) to improve the methodology in compilation of the All India IIP and better reflect the changing face of India's industrial sector.

(8) Problems in the quality of weights used for the All India

IIP: It is noted above that the ASI is the major data source for the weights used in the All India IIP at both the industry and product group levels. The reliability of these weights, therefore, depends on the quality of estimates of Gross value added of industries at 4 digit level of NIC and value of output of product groups, derived from the ASI. The quality of these estimates is in turn impacted by the representative character of the set of surveyed units in the ASI. There are problems in selecting a representative set of units for collecting data in the ASI because of the imperfections in the sampling frame used for the ASI. The sampling frame of ASI is based on the lists of factories/ units maintained by the Chief Inspectors of Factories (CIF) in the States. The CIF lists, however, suffer from two types of deficiencies: (a) many units that are eligible to be listed in the CIF list are not included in it; and (b) the units that have not been operating for quite some time are not removed from the CIF list.

- It is recommended that: The CIF lists be replaced by the Business Register, to be developed following the proposed sixth Economic Census 2011, for preparing a sampling frame of industrial units from which a representative and efficient sample of units can be drawn for collection of data in the ASI.
- The above recommendation will: (i) be in accordance with that made in the International Recommendations on Industrial Statistics 2008; (ii) ensure that the same sampling frame is used for the ASI as well as for the recommended survey on collection of monthly production data for use in the compilation of the All India IIP and (iii) improve the quality of the weights used in the All India IIP.

(9) Seasonal adjustment: Taking into account the international recommendations and the requests from major public and private users, following recommendations are made:

- Seasonal adjustment of All India IIP should be taken up as an official responsibility by the CSO.
- Only the finally revised series of the All India IIP should be used for seasonal adjustment.
- Experimenting with various possible alternative methods and subjecting the seasonal adjustment results to validation using a wide range of quality measures, evolve an appropriate method of seasonal adjustment. Among others, the absence of residual seasonal and/ or calendar effects as well as the stability of the seasonally adjusted pattern has to be carefully assessed. The results of the experimental exercises may be released as a research study.
- Release the official seasonally adjusted series of the All India IIP along with details of the methodology used.

(10) Reconciliation of IIP data with other data sources: The CSO, being directly accountable to the public for the results of the All India IIP, ASI and NAS, should undertake regular reconciliation exercise of All India IIP data with those of ASI and NAS to identify any significant quality issues and place the results of reconciliation first before the Standing Committee on Industrial Statistics (SCIS) and thereafter in public domain.

(11) Presentation of the IIP data: Neither trading day adjusted data series nor seasonally adjusted data series is published for the All India IIP. It is recommended that these be attempted and after stabilizing the methodologies published along with the adopted methods. After the meeting with the users of All India IIP held on 2 December, 2010 as part of the present statistical audit process, based on the suggestion of the users the CSO started indicating the main items responsible for the increase/decrease in the growth of the IIP in the monthly Press Note on IIP. This practice should be continued.

(12) Dissemination of the IIP: A reference to the place (or website) of availability of metadata of All India IIP should be included in the Press Note on IIP. Contact details of relevant statisticians who can answer various questions by users be included in the Press Note of the All India IIP.

(13) Data revisions: Detailed documentation of revisions carried out in the quick and first revision indices of industrial production, explaining the sources and reasons of revisions, should be done and made available to the users by the CSO. It should improve the transparency of the All India IIP by giving the response rates in the monthly Press Note of the All India IIP. Breaks in series should be explained when consistent series

cannot be constructed. The CSO should hold meetings with users of the All India IIP at least twice in a year and benefit from their feedback so as to improve the credibility and public trust of the index.

- (14) Strengthening manpower resources for the All India IIP work at the CSO:** A separate assessment may be made by the CSO to estimate the manpower and financial resources required for mounting a monthly sample survey to collect directly from the units industrial production data for use in the compilation of the All India IIP and these Resources should be provided. For handling the regular work of the All India IIP making use of the monthly production survey data and bringing about the recommended improvements in the index, the following staff composition is recommended at the CSO:

Deputy Director General	-	1
Director/ Joint Director	-	1
Deputy Director	-	1
Assistant Director	-	2
SSO/ Investigator/ DEO	-	30

Review by the NSC

8.16 With regard to integration of data collection mechanism, the recommendations made by Dr. Sastry may be considered at a sufficiently higher level in the Government, but not at the level of the MOSPI or any source agency. If the Government decides to entrust the work to a single agency, it would be necessary to provide adequate resources for the purpose. The additional staff resources recommended by Dr. Sastry in his report would be inadequate, as it would be necessary to provide for an end to end solution. The following aspects are also to be considered while working out the resource requirements.

- (a) Research and Development component has to be inbuilt into the process of compiling IIP and releasing periodical reports, which inter alia comprises, -
- comparison with the panel data emanating from the ASI to examine the quality of data;
 - evolving chain base weighting systems in a dynamic way;
 - implementing the Rangarajan Commission recommendations on compiling IIP; and
 - dissemination of seasonally adjusted indices.
- (b) The agency has to develop a web portal for data flow under the provisions of the Collection of Statistics Act, 2008 from respondents

to field investigators, then to field supervisors, and finally to the data processing office.

- (c) The role of field investigators and field supervisors has to be defined very clearly with respect to collecting qualitative data every month on products of well defined specifications.
- (d) The web portal system should automatically generate alerts, to respondents, field investigators and field supervisors, when they fail in their assigned duties.
- (e) The data and alerts have to be received in a server in the data processing office, which would generate reports in pre-determined formats for scrutiny by the concerned officers. The reports should include the findings of computer validation.
- (f) Appropriate data storage facilities should be provided for storing unit level data and reports and for maintaining confidentiality of data.

8.17 It was also reported by the CSI in the 48th meeting of the NSC that two Working Groups, one on revision of base year for WPI and the other on revision of base year for the IIP would be constituted, under the Chairmanship of a Member of the Planning Commission, by the DIPP and the MOSPI respectively. The NSC desired that the Working Groups may formulate methodology for constructing PPI as well. The NSC also desired that the non-official members of the Standing Committee on Industrial Statistics may be included in the Working Group on IIP. The Working Group on IIP may consider the report of Dr. Sastry and the comments received on the report in the light of the aforementioned observations and requirements and work out an ideal solution for compiling IIP. Since the data sources for the WPI, the IIP and the PPI may be common in most of the cases, a holistic view needs to be taken about any new data collection mechanism that needs to be put in place for collecting data under the Collection of Statistics Act, 2008.

8.18 The NSC suggested that the two Working Groups before submission of their reports may meet at least once to ensure consistency in approach and examine possible integration of data collection mechanisms. The NSC desired that reports of the Working Groups, as soon as they are submitted, may be placed before the NSC for its views.

CHAPTER - 9

MATTERS RELATING TO THE NSSO

Background

9.1 In accordance with the decision taken by the Union Cabinet in its meeting dated 10th August 2006, the Governing Council of the NSSO was dissolved w.e.f 30th August 2006 and its functions were entrusted to the NSC. Since then, the functions of the Governing Council became the mandate of the NSC along with its original mandate.

9.2 In exercise of its mandate, the NSC *inter alia* has been deciding the subjects to be surveyed in each NSS round, formulating the methodology for each round, devising the tabulation plan for presenting results, and according approval for release of reports. The NSC has been constituting Working Groups, from time to time, comprising experts within and outside the Government, to assist it in all these matters. The survey instruments approved by the NSC are followed in each round by the NSSO and the participating States. Subject coverage and related methodology up to the 68th NSS Round (with survey period July 2011- June 2012) were decided prior to the period under report. The 68th NSS Round survey was launched by the NSSO and the participating States as per schedule.

Survey reports and data released

9.3 During the year 2011-12, the NSSO released the following seven reports based on the data of 66th NSS round (July 2009- June 2010) on consumer expenditure and employment-unemployment (quinquennial survey).

- (i) Key Indicators of Employment and Unemployment in India, 2009-10
- (ii) Key Indicators of Household Consumer Expenditure in India, 2009-10
- (iii) Employment and Unemployment Situation in India, 2009-10
- (iv) Level and Pattern of Consumer Expenditure, 2009-10
- (v) Informal Sector and Conditions of Employment in India
- (vi) Nutritional Intake in India
- (vii) Household consumption of various goods and services in India

9.4 The NSSO also provided access to users on the unit-level data of the 66th Round in respect of consumer expenditure and employment-unemployment.

Subject coverage for NSS 69th Round

9.5 In the Ten Years Cycle of subjects for coverage in NSS rounds earlier approved by the NSC, the subject coverage for the 69th Round (July - December 2012) was 'housing conditions, slums, disability, household consumption expenditure and employment-unemployment'. This was reviewed by the NSC in the context of covering household consumption expenditure and employment-unemployment in the 68th Round of NSSO and it was decided that these two subjects were not to be covered in the 69th NSS round.

9.6 A request was received by the NSSO from the Department of Land Resources for enumerating Common Property Resources (CPRs) in the 69th round. The NSC was of the view that it would not be feasible to enumerate the CPRs in the NSS and provide estimates, because it is not an estimable parameter. The CPRs could be included in the NSS schedule as a classificatory variable but it would not serve the purpose of the Department. There was also a proposal to cover the subject of disability in the 69th Round, but the NSC, having regard to the fact that the survey work had to be carried out in the NSSO with contract enumerators, decided not to cover the subject, as it requires special attention and would not be feasible to be carried out through contract staff.

9.7 Finally, the NSC decided that the subjects "Drinking water, Sanitation, Hygiene, Housing conditions (including slums)" would be covered in the 69th NSS Round of six months duration.

9.8 A Working Group was constituted under the Chairmanship of Prof. Amitabh Kundu, former Member of the NSC to formulate the survey instruments for the round and to look into the entire gamut of activities of the 69th Round. Dr. Pulakesh Maiti and Dr. Amit Choudhury were the other non-official members in the Working Group. Prof. Shibdas Bandyopadhyay, Member, NSC was included as the permanent invitee in the Working Group.

9.9 On the issue of imputing house rent in respect of owner occupied houses in rural areas, a request was made by the CSO (NAD-PCL Unit) that relevant data may be collected by the NSSO for the purpose of including weights on the item in the Price Collection module by the CSO. It was decided that the matter may be referred for consideration in detail by the 69th Round Working Group on NSS.

9.10 On the basis of methodology formulated by the Working Group, an All India Training of Trainers (AITOT) was organised by the NSSO on 15-16th March 2012 at Delhi to impart training to NSSO officers and representatives of the State/ UT DESs. On the basis of the suggestions received in the AITOT, the methodology was further updated and placed before the NSC. The NSC approved the methodology and concurred with the survey launch as per schedule.

Subject coverage for the 70th NSS Round

9.11 The subject coverage decided for the 70th NSS Round (Jan 2013-December 2013) was 'Land holdings, Livestock holdings, Debt & investment and Situation Assessment Survey of Farmers'.

9.12 A Working Group was constituted under the Chairmanship of Prof. A. Vaidyanathan for formulating methodological aspects and to oversee the entire gamut of activities of the 70th NSS round. Dr. Sucha Singh Gill, Prof. D. Narasimha Reddy, Dr. U.C. Sud, and Dr. Sushanta Kumar Nayak were the other non-official members in the Working Group. The official members in the Working Group included representatives of the RBI, NABARD, the CACP, the Planning Commission and four DESs. Prof. Shibdas Bandyopadhyay, Member, NSC was included as the permanent invitee in the Working Group. The Working Group started functioning.

9.13 The NSC desired that the request of the Department of Animal Husbandry, Dairying and Fisheries for collection of information on Feed and Fodder Consumption by different categories of livestock, either separately or along with survey on livestock, shall be referred to the Working Group on 70th NSS Round.

Weeding out filled-in schedules of NSS rounds

9.14 The unit-level data of different rounds of NSS was prepared by the NSSO on the basis of entries in the detailed inquiry schedules. The information on multiplier included in the unit-level data was based on the summary information available in the listing schedules. As the paper schedules get piled up round after round in the data processing centres of the NSSO, problem of office space to store them arises. It was decided that the detailed inquiry schedules can be weeded out after one year of the publication of the last report of a particular round of NSS and release of unit-level data. However, with regard to the listing schedules, it was felt that they may contain more data than what is being presently disseminated. It was also reported that the data in the listing schedules is not considered for digitization in electronic media at present. In view of this, the NSC desired that the NSSO may submit a detailed note on the feasibility of placing data contained in the listing schedules in the public domain as also on the parameters on which data can be generated over and above what is being presently made available through dissemination of unit level data.

Technical Committee on NSSO matters

9.15 The NSC decided to constitute a Standing technical committee on NSSO matters to look into all technical issues, referred to it from time to time in respect of National Sample Surveys (NSS), which are not possible to be

looked into by Working Groups on NSS. The composition of the Committee would be as follows.

- (a) Member, NSC – Chairman
- (b) Two experts to be nominated by the NSC from time to time (each expert with two years tenure) – non-official Members
- (c) DG, NSSO – Member-Secretary

9.16 Accordingly, a Standing committee was constituted under the chairmanship of Prof. Shibdas Bandyopadhyay, Member, NSC with Dr. R.L. Karandikar, Director, Chennai Mathematical Institute and Prof. Chandan Mukherjee as non-official members for two years. The Committee may co-opt any other expert and also interact with any officer in the NSSO for its work. The Committee would be forwarding its recommendations to the NSC regularly. It was decided to refer to it issues relating to (i) under estimation of population in the NSS, and (ii) Divergence between NSSO consumer expenditure estimate and National Accounts Statistics PFCE. The committee may also examine the following suggestions, made by Prof. A.K. Adhikari, Chairman of the 68th NSS Round Working Group, namely, (a) to reduce the length of the consumer expenditure schedule by splitting the schedule into two or more parts, so as to facilitate collecting information on one part from one set of households and those of other part (s) from other set of households and studying the impact of such reduction before introducing it as a regular survey practice, and (b) to introduce a scheme of apprenticeship in data collection by taking graduates, training them at FOD Regional Offices in the respective local languages for a month, awarding certificates to them on successful completion of training, selecting contract investigators from those who complete training successfully, and engaging the contract investigators in survey work.

Optimum sample size for North Eastern States

9.17 The MOSPI appointed a Committee on 25th March 2010 under the Chairmanship of Prof. Atul Sharma with a view to provide reliable estimates for North-East states with the following terms of reference.

- (a) To suggest appropriate sample size requirements at state level in North-Eastern States vis-à-vis the corresponding number of field investigators required; and
- (b) To see whether it would be feasible to re-allocate the existing field strength as per the study of sample size requirements.

9.18 The Atul Sharma committee submitted its report in May 2011. The recommendations of the committee are as follows:

- (i) Coordinated effort by the states to resolve the non-technical issues for improving the data system in the North East, particularly data

from NSS is as much important as the sample size issues for NE States.

- (ii) Keeping in view the utmost need for the quality data for the NE States, while noting the thrust on capacity building , an integrated office of NSSO in North East should be established on a priority basis (a) for imparting training to State DES staff (b) guiding processing of State sample data, (c) providing software and required training for their applications (d) providing guidance in acquiring appropriate hardware for data processing and finally (e) locating central processing unit for North East.
- (iii) In the context of the regional planning role assigned to the NEC, the committee is of the view that the NEC should give high priority in generating both adequate and quality data for the North Eastern states, which could be very useful inputs towards regional planning. Towards this end a synergy could be created by networking with regional offices of NSSO and recently established centre of Indian Statistical Institute Centre at Tezpur, which should be able to provide desired support for capability development in related fields such as sampling methodology, data processing, data analysis and informed decision support. In short, the committee strongly recommended that the Zonal office of NSSO in the North East should emerge as proactive resource centre.
- (iv) NSS activities in the North Eastern region should be suitably streamlined both from the point of view of survey operations and it's processing.
- (v) Resource augmentation for quality data generation should judiciously put emphasis on human resource development, infrastructural improvement, and functional improvement of survey operations together with increase of sample sizes.
- (vi) While existing sample size for generating lead indicators such as MPCE, WPR and LFPR is generally adequate in NE states, in case of Assam, the urban sample size needs augmentation by about 50% and in case of Tripura by 25% to attain the desired precision.
- (vii) Acknowledging the importance of controlling of non sampling errors and the importance of dedicated field staff for this, NSSO may directly collect data for central sample in these States as in other states and NSS field offices may be opened in these States. For this purpose, NSSO should orient its field survey setup in the four States viz. Arunachal Pradesh, Mizoram, Manipur and Tripura for improving the capabilities of human resources in the State for conducting survey and processing of NSS State Sample data.

9.19 The NSC considered the report of the Atul Sharma committee in its 43rd meeting and accepted it. The NSSO was requested to take further steps to implement the recommendations given in the report. The Commission desired that an appropriate sampling design possibly with deeper stratification needs to be attempted to get better estimates for each of the North-Eastern States as also for similarly placed other States/ UTs. In order to collect data with better quality, the Commission desired that investigators possessing knowledge in local language and customs should be engaged for data collection. The NSC also recommended establishing a Data Processing Centre in the North-Eastern region. The Commission also desired that a data user conference may be organized for the North Eastern states in collaboration with the ISI, Tejpur Centre and the DESs of North-Eastern States for the development of official statistics.

9.20 It was brought to the notice of the NSC that NSSO does not have its field offices in all the North Eastern states and a few other States/ UTs. The NSC recommended that the NSSO (FOD) may set up field offices in all the North-Eastern States and other States/ UTs, where such offices were not established.

Urban Frame Survey Phase 2012-17

9.21 It was reported that the Urban Frame Survey 2007-12 has been carried out by the NSSO in accordance with revised guidelines, framed to address the issue of underestimation of population in NSS. It was also reported that steps contemplated to address other deficiencies would be taken up as and when digitised maps and data of Census EBs for the 2011 census become available. The NSC desired that as soon as the details of census EBs become available, a detailed paper regarding "using Census EBs as sampling frame in urban areas in NSSO surveys" may be presented before it. The NSC also desired that some procedure needs to be evolved for the field to keep a watch on possible divergences with census data at micro level and take appropriate corrective steps.

9.22 The NSC desired that steps should be taken to ensure that newly declared towns are included in the urban sector and the corresponding rural areas are removed from the rural sector, while making sample selection and preparing multipliers for the NSS. The NSC also desired that a report on the urban frame survey 2007-10 may be brought out by the NSSO.

Report on adoption of commercial software packages by the DPD, NSSO

9.23 In the 39th meeting of the NSC, it was decided that Prof. Anil P. Gore, Member, NSC would look into the issue of using open/ general software for tabulation of unit level data by the statistical agencies at the Centre and in the States. Prof. Gore submitted his report to the NSC in March 2011. The recommendations made in the report are summarized below.

- (1) All assistance should be given to DPD to acquire ORACLE+OLAP expeditiously.
- (2) Training for officers involved in programming should be launched immediately (without waiting for arrival of the soft ware).
- (3) Size of the team of officers involved in programming should be substantially increased. It is proposed that a dozen officers within DPD and another dozen officers (young and interested) from other divisions of NSSO should be given training in the new soft ware to be acquired. This will ensure adequate availability of qualified personnel for years to come.
- (4) DPD should liaise with DES, Maharashtra and carefully examine the electronic data recording device and procedure being adopted. A pilot trial of the device and method should be carried out in a selected regional office of FOD in Maharashtra and also in a regional office outside the state. A note should be prepared on precautions to be taken while implementing the methods. The idea is that eventually all field worker of FOD will have to switch over to use of electronic devices in the field.
- (5) DPD should liaise with DES, Andhra Pradesh and carefully examine the data entry soft ware designed by officers of the DES. A note on modifications needed to take care of concerns of DPD should be prepared. The suitably modified data entry software should be tried on a pilot basis in one regional office of FOD in Andhra Pradesh and also in a regional office outside the state.

9.24 The recommendations made in the report of Prof. Anil P. Gore, Member, NSC have been considered by the NSC in its 45th meeting. The NSC recommended that the NSSO may take steps in the direction of capacity building on using SAS software.

Decentralized data entry system

9.25 The NSC appreciated the initiatives taken by the NSSO in decentralized data entry system particularly at its Goa, Regional Office on pilot basis in respect of the 68th Round NSS schedules. The NSC visited the Goa office and interacted with the officers and staff involved in this work. The NSC found that the pilot experiment was a success and appreciated the efforts put in by the investigators and supervisors at the Goa, Regional Office. The NSC desired that the experiment may be extended to a few more states representing different zones of the NSSO and to also cover the listing schedules. The NSC also desired that some quality checks (in respect of codes etc.) and online checking and editing by supervisors may also be introduced in the next experiment.

Common problems faced in the FOD due to vacancies at the Investigators level and training of contract investigators

9.26 The NSSO officers explained the difficulties being faced in the organization due to heavy vacancy position at the investigator level and due to the all India level recruitment of regular investigators through SSC wherein posting of investigators having knowledge of the local language and customs in each State has become almost impossible. The NSC stated that a chapter in the report of the NSC Committee on unorganized sector statistics specifically deals with some of these problems and desired that the suggestions given thereof may be considered by the NSSO for bringing improvements. The NSC specifically desired that contact enumerator whenever employed should be adequately trained before being put on the job.

CHAPTER-10

OTHER STATISTICAL MATTERS

Implementation of the Rangarajan Commission recommendations

10.1 The National Statistical Commission appointed by the Government under the Chairmanship of Dr. C. Rangarajan submitted its report to the Government in August 2001. In the Cabinet meeting held on 27th February, 2002, the recommendations of the Rangarajan Commission were noted for implementation and the MOSPI was entrusted with the task of coordinating and monitoring the process of implementation by various Central Ministries and States.

10.2 The NSC, after reviewing the progress of implementation, constituted a Standing Committee on 8th June 2010 under the Chairmanship of Prof. Sudipto Mundle, Member, NSC to monitor the implementation of the recommendations of the Rangarajan Commission as also of the permanent NSC constituted w.e.f 12th July 2006.

10.3 The Standing Committee, after examining the pendency position, identified a few recommendations of the Rangarajan Commission for being monitored by it on priority. The details of those recommendations are given below.

Priority A

- Strengthening the coordination role of the CSO (para-14.2.15 of the Report)
- Recommendations on the Economic Census and follow-up surveys (para-14.2.25 of the Report)
- Strengthening the functioning of the NSSO (para-14.2.60 of the Report)
- Modernisation of the administrative statistical system (para-14.3.20 of the Report)
- Establishing NSO as an implementing agency of the decisions of the NSC (para-14.5.12 of the Report)
- Improvement of lateral coordination through statistical advisers (para-14.5.21 of the Report)

Priority B

- One-time census of industrial units (para-5.1.31 of the Report)
- Improvements in Trade data (para-6.2.9, 6.3.17 to 6.3.19 of the Report)
- Service sector statistics (para-7.2.10 to 7.5.9 of the Report)

10.4 The Standing Committee identified the following action points.

- (1) The database prepared in the NSC Secretariat on the status of implementation of the recommendations of the Rangarajan Commission may be circulated as a soft copy to the CSO and the NSSO.
- (2) The ADG, CSO (CAP) and the DDG, NSSO (CPD)/ CSO/ NSSO may take a fresh look at all the recommendations relating to the MOSPI and furnish the latest status of each of the recommendations to this Standing Committee. Chairman of the Standing Committee desired that the CSO and the NSSO may furnish the status report in respect of items given in the agenda under Priority 'A' for review.
- (3) The CSO may obtain, in a time-bound manner, the latest status reports from other Central Ministries and States/ UTs on the implementation of the Rangarajan Commission recommendations.
- (4) On the basis of reports from the Central Ministries and States/ UTs, a final status report on all the recommendations of the Rangarajan Commission need to be finalized by this Committee, duly indicating the ones that were implemented, the ones that cannot be implemented with reasons thereof and those that are in the process of implementation. The status report should be ready by January 2011 and it should be placed before the NSC in February 2011. The report along with the findings/ recommendations of the NSC may be placed before the Parliamentary Standing Committee on Finance in March 2011. All activities need to be planned to meet these time-lines.
- (5) It was recognised that a formal mechanism should be in place for coordinating, on a regular/ periodical basis, to strengthen coordination, discuss with statistical officers in the Ministries and follow-up on the implementation of the recommendations of the Rangarajan Commission and the present NSC. The CSI informed that he would be holding inter-Ministerial meetings every quarter for this purpose. The representatives of the States/ UTs and the DDGs of NSSO (FOD) assigned with nodal functions may also be invited for regular interaction with the CSI for the purpose of ensuring effective coordination of State-level DDGs with Headquarters and with their counterparts in State Governments.

10.5 The database prepared in the NSC Secretariat on the status of implementation of the recommendations of the Rangarajan Commission was furnished as a soft copy to the CSO and the NSSO. Action on other points has been pending for quite some time, possibly due to lack of adequate staff support to handle the work. The Chairman of the Standing Committee gave a note to the CSI requesting for appointing a person as consultant to provide

support to the ADG, CSO (CAP) in the work, but action on the request seems to be still pending. Under the circumstances, the NSC emphasized the need for expediting the process of monitoring the implementation of the recommendations of the Rangarajan Commission and recommended to the MOSPI to provide adequate resources to handle the work. It was reported that staff have been provided and the work has started progressing.

10.6 The NSC addressed in this report a good number of recommendations, summarised in chapter-3 of the Rangarajan Commission report under the heading 'Indian Statistical system'. The main recommendations relating to establishing a statutory NSC and effective coordination mechanisms are addressed in chapter-2 of this report.

Review of ATR on previous Annual Report of the NSC

10.7 It was laid down in the Government of India Resolution No. A-11011/1/2005-Ad.I dated 1.06.2005 that the NSC has to furnish its Annual Report for each financial year. The relevant extract of the Notification is given below.

"12. The Commission shall prepare, for each financial year, its Annual Report, giving a full account of its activities during the financial year and forward the same to the Central Government. The Central Government shall cause to be laid the Annual Report together with a memorandum of action taken on the recommendations therein, along with the reasons for the non-acceptance, if any, of any of such recommendations before each House of Parliament. Where any recommendations or any part thereof concerns any State Government, the Commission shall forward a copy of such recommendation or part thereof to such State Government which shall cause it to be laid before the Legislature of the State along with a memorandum explaining the action taken on the recommendations relating to the State and reasons for the non-acceptance, if any, of any of such recommendations."

10.8 The NSC has been submitting its Annual Reports, from time to time, to the MOSPI and the MOSPI has been laying the Annual Reports along with Action Taken Reports (ATRs) before each House of Parliament. The Annual Reports are uploaded in the website of the MOSPI. The NSC recommends that ATRs may also be uploaded in the website of the MOSPI along with Annual Reports to ensure transparency.

10.9 The ATRs laid by the MOSPI before each House of Parliament are reviewed by the NSC. In cases, where an ATR is found to be incomplete or deficient in any respect, the NSC makes further recommendations to the MOSPI to address such issues. The action taken report (ATR) on the Annual Report of the NSC for the year 2009-10 laid before the Parliament was reviewed by the NSC. It was noted that action was reported on fourteen

recommendations. The NSC recommended further action by the Government on six of these recommendations. Apart from this, it was found that, in some situations, an ATR contains action proposed by the Government on some recommendations and final status is not subsequently reported to the Parliament. In view of this, the NSC recommended for a complete review of all the ATRs so far laid before each House of Parliament and for laying down an updated ATR before each House of Parliament. This process should be continued by the Government in future also.

Constitution of an Expert Group on Time Use Surveys

10.10 The CSO contemplated conducting a nation-wide survey on Time Use during the 12th Plan period. A request was made to the NSC to form an Expert Group to formulate methodology for this purpose. Earlier, the matter was considered by the Working Group constituted for the 68th Round NSS and it recommended that the Time Use Survey (TUS) be delinked from the 68th Round NSS and a separate expert group be formed on this subject.

10.11 This issue was considered by the NSC in its 45th meeting. The NSC desired that requirements of user Ministries including the CSO (NAD) may be obtained in the form of list of indicators and tables and an Expert Group may be constituted by the CSO with the following composition.

- Prof. S. R. Hashim - Chairman
- Prof. Indira Hirway – non-official Member
- Prof. A.K. Adhikari (If he is not available, Prof. S.K. Mukhopadyaya) - non-official Member
- Prof. Bina Agarwal (if not available, Dr. S. Desai) - non-official Member

10.12 The Expert Group may have tenure of one year. Official Members representing the concerned user Ministries may be included in the Expert Group. Addl. DG, CSO (SSD) will be the Member-Secretary of the Expert Group. The terms of reference of the Expert Group shall, on the basis of user requirements, be to -

- examine if there is need for regular TUS; if yes- periodicity;
- finalise the classification of activities to be used;
- formulate survey methodology;
- prepare schedule of inquiry and instruction manual;
- identify agency(ies) for conducting the pilot survey for field testing; and
- estimate cost of pilot survey as also for full fledged nationwide survey keeping in view the requirement of sample size and field work.

Reconstitution of the Standing Committee on Industrial Statistics (SCIS)

10.13 The NSC, after considering a wide range of issues involved in the industrial statistics sector, recommended reconstitution of the Standing Committee on Industrial Statistics (SCIS). Apart from official Members, the non-official Members in the Committee would be as follows.

Dr. Biswanath Goldar – Chairman
Dr. R. Nagaraj – Member
Dr. S.L.Shetty – Member
Prof. Aditya Bhattacharya – Member
Dr. M.R. Murthy – Member
Prof. Pulapre Balakrishnan – Member
Dr. N.S. Sidharthan – Member
Dr. Kanhaiah Singh - Member

10.14 The terms of reference of the Committee would be to review and suggest improvements from time to time in the Industrial Statistical system on the following aspects.

- (a) Collection, compilation, tabulation and dissemination of Industrial Statistics in all its form and content, including the Annual Survey of Industries and indices
- (b) Statutory support for the Industrial Statistics sector
- (c) Role of different official organisations at the Centre and in the States on Industrial Statistics
- (d) Methodological issues including classifications in respect of all statistical products in the Industrial Statistics sector, including those of indices
- (e) Administrative Statistical System on Industrial Statistics sector

10.15 The Member Secretary of the Committee may furnish, to the NSC, half-yearly reports on the working of the SCIS, its recommendations and status of implementation. A Member of the NSC would be the Special Invitee in the SCIS. Prof. Sudipto Mundle, Member, NSC has been nominated by the NSC to be the special invitee in the SCIS.

10.16 The NSC recommended that MOSPI may reconstitute the SCIS on the above lines through a Gazette Notification, as was done earlier.

Coverage of occupation category for collection of wage rate data

10.17 The publication 'Wage Rates in Rural India' is brought out by the Labour Bureau, Ministry of Labour & Employment. This is an important source of information on wage rates. The Prime Minister's Office has observed that out of seven categories currently adopted for compiling wage data for non-agricultural occupations viz., carpenter, blacksmith, cobbler, mason, tractor

driver, sweeper, and unskilled labourers (un-specified), first six do not represent an exhaustive list of skilled non-agricultural workers, although the nomenclature for the last category (unskilled labourers) implies that every other worker is necessarily an unskilled worker. Further, categories relevant for the purposes of ongoing labour welfare and skilling programmes of the Government do not get captured by the existing categorization. For instance, under Rashtriya Swasthya Bima Yojana workers categorized as domestic workers, mine workers, rag-pickers, street vendors, etc., are either already covered or are proposed to be covered. Likewise, the Modular Employable Skills programme also imparts training for a wide range of skilled work categories. Another aspect of the existing categorization that may be taken note of is that the existing classification does not appear to adequately reflect gender-based differences relevant to worker categorization, since all female workers, other than sweepers, are currently getting canvassed as unskilled labourers.

10.18 In view of above observations, the PMO requested the Ministry of Labour & Employment to review the categorization of workers currently adopted for compilation of wage rate data and indicate the expected time frame for constitution of a Technical Working Group for revision of categorization of workers. The Ministry of Labour & Employment has, in turn, made a request to the CSO to constitute a Technical Working Group with suitable terms of reference, composition and time frame.

10.19 The existing categorization of workers was done long back in 1974 by a Technical Working Group on retail prices set up, by the then Governing Council of the NSSO, to revise/ update the series of Consumer Price Index for Agricultural and Rural Labourers. It was reported that the said Technical Working Group comprised of the then Director, Labour Bureau (convener), Director, CSO, Economic & Statistical Adviser, Ministry of Agriculture, Director, Field Operations Division, NSSO, and Director, Survey Design and Research & Data Processing Division, NSSO. The Group was to examine the need for revising (i) the then sampling frame of markets, (ii) the scope of commodity coverage, and (iii) the specifications of items covered in the collection of data on monthly rural retail prices for the use of Labour Bureau, and make appropriate suggestions. The Group felt the need for a regular inflow of wage rate data for rural workers and accordingly the Labour Bureau started compiling wage rate data from 1995-96 onwards on a continuous basis. As an initial exercise, the categorization of non-agricultural occupations had been useful. However, in order to make the classification more relevant, it is necessary to update the same inter-alia keeping in view categorization under Rashtriya Swasthya Bima Yojana and the wide range of skilled work categories which are imparted training under Modular Employable Skills Programme.

10.20 The aforesaid issues were placed before the NSC in its 48th meeting. After detailed deliberations on the issues, the NSC desired that the CSO may constitute a Working Group under the chairmanship of Dr. T.S.

Papola with Dr. A.V. Jose, Prof. Sheila Bhalla/ Prof. D. Narasimha Reddy and Prof. V.M. Rao as other non-official Members. Besides, official Members of the concerned Departments/ Organisations may be represented in the Working Group. The CSO may work out the terms of reference for the Working Group with the approval of the Chairman, NSC before constituting the Working Group.

CSIR test

10.21 The issue of CSIR-UGC entrance test, for selecting students for research in various disciplines, having proportionately more number of questions on mathematics compared to statistics was brought before the NSC. It was felt that this system may not provide adequate research avenues for statistics students. The NSC desired that the matter may be brought to the notice of the CSIR and UGC and they be requested to address the issue appropriately.

Criticism in the media on the quality of official statistics

10.22 The criticisms being made in the media on quality of official statistics, being put out by the NSO, came up for discussion. It was felt that in most of the cases, the criticism has originated because of using data for purposes for which it should not be used. The matter was discussed by the NSC with the CSI and the DGs. The NSC suggested that documentation/ meta data needs to be improved. Arrangements for communication with the public domain regarding the Department's statistical products need to be strengthened and an official spokesperson may be notified for the products so as to provide clarifications to users including media persons about the data.

Conflicting statistics in respect of exports

10.23 The issues raised in the following journals in respect of deviations between the RBI data and the DGCI&S data on imports and exports were brought to the notice of the NSC.

- (1) Livemint.com (The Wall Street Journal) issue dated 25th October 2011 – Article on 'Dodgy numbers, creaking system' by Dr. Biswajit Dhar
- (2) 'Strategy' of Kotak Institutional Equities issue dated 10th October 2011 – Article 'Exploring the money trial'

10.24 It was decided that the issues raised in the aforesaid articles in respect of imports and exports need to be discussed in more detail in a meeting of the concerned agencies. The NSC desired that Prof. Sudipto Mundle may take a meeting with the authors of the aforesaid articles, the CSO (NAD), the DGCI&S, the RBI, the Dept. of Economic Affairs and the DIPP.

Guidelines for organizing surveys by Central Ministries/ Departments

10.25 It was reported that the Cabinet Secretary, in one of his recent communications to the Secretaries of various Central Ministries/ Departments, has made the following observations in the matter of conduct of statistical surveys by them to meet their specific data needs.

- (i) Some Ministries/ Departments are undertaking surveys on certain sectors relating to their charge for generation/ dissemination of data on the same. Such data sometimes differ from the data/ estimates available in surveys undertaken by the National Sample Survey Office (NSSO) and the Central Statistical Office (CSO). Creation of multiple official estimates of the same underlying variables is not advisable.
- (ii) With a view to avoiding duplication of efforts and ensuring consistency between different sets of data and also to ensure reliability of data, it has been decided with the approval of Hon'ble Prime Minister that all steps should be taken to avoid duplication of efforts and multiplicity of official data/ estimates of the same underlying variables.
- (iii) Where the Ministries/ Departments still wish to collect data pertaining to aspects for which there are already official estimates prepared by the MOSPI, the reasons for collecting such data need to be stated clearly and the two efforts should be coordinated.
- (iv) Any such data should be produced only with appropriate technical oversight, preferably by the NSC. Also, the Ministries/ Departments should invariably consult the Planning Commission before publishing any statistical data relating to economic status of the population/ section of the population or any other sector.
- (v) As and when such data is published, there should be sufficient explanation for differences, if any, with already available official data.

10.26 Keeping in view the above observations, the MOSPI has formulated certain guidelines to be observed by the Ministries/ Departments which intend to conduct any statistical survey. The draft guidelines were placed before the NSC in its 42nd meeting.

10.27 The NSC considered the draft guidelines and recommended incorporation of the following aspects in them.

- Any technical group/ working group for preparing methodology for any survey should include a representative of the Planning Commission. The non-official persons or experts to be included in it shall be from the panel of experts recommended by the

NSC. The expenditure for the purpose shall be met by the concerned Ministry.

- The role of Nodal officer appointed by the Central Government under the Collection of Statistics Rules, 2011 in avoiding unnecessary duplication shall be brought out in the guidelines.
- In case of outsourcing, the concerned Ministry shall take adequate safeguards, as may be prescribed by the NSC.
- The methodology to be used in any survey shall have the concurrence of the NSC.
- The NSC may order for concurrent statistical audit of any survey.
- All the activities given in the guidelines shall be kept in view while finalizing time lines for any survey under RFD targets.

10.28 It was reported that the MOSPI, on 5th December 2011, notified detailed guidelines on the basis of the aforesaid recommendations of the NSC.

Social sector statistics

10.29 The NSC decided to initiate some steps to address issues relating to social sector statistics and constituted a professional committee on 30th July 2010 under the Chairmanship of Prof. Anil P. Gore, Member, NSC. The terms of reference of the Committee are given below.

- Identifying statistical products at Sub-State, State and National levels to depict the status of social sector including environment and gender issues
- Agencies to collect, compile and disseminate social sector statistics periodically
- Flow of data regularly from States/ UTs to the Centre

10.30 The Committee submitted its report to the NSC on 7th October 2011. In its report, the Committee noted that -

- (i) there is need for socio-religious data at the community level as emphasized by the Sachar Committee and the Equal Opportunity Commission,
- (ii) the existing data need a more careful look on the consistency in the conceptual elements, to establish if the definitions, reference classificatory groupings and background characteristics of the indicators and their constitutional elements remained changed from survey to survey,
- (iii) there should be no new surveys but many hitherto unavailable indicators on different socio-economic aspects may be generated from the NSS unit level data,
- (iv) there is need to focus on women's participation in economic and non-economic activities and other gender issues, particularly at the district level, and

- (v) there is need to identify and pool social statistics of different agencies working on health, education etc.

10.31 The NSC considered the report of the Committee in its 45th meeting and decided that the report should be considered as a first draft and further details need to be looked into, in respect of availability, quality of data and data gaps in respect of social sector statistics. The NSC desired that a Group may be constituted by the CSO for this purpose with a clear time frame to complete the work.

10.32 With regard to environmental issues, it was reported to the NSC that a Committee was constituted by the MOSPI, on 4th August 2011, under the chairmanship of Prof. Partha Dasgupta, to *inter alia* develop a framework for Green National Accounts, identify data requirements/ data gaps and develop sector specific methodologies. Hence, the NSC decided that a view could be taken, once the report of this Committee becomes available, with regard to the environmental issues covered in the report of Anil Gore Committee.

10.33 In view of the steps to be further taken on the report of the Anil Gore Committee on Social Sector Statistics, the report was not placed in the public domain.

Consultancy Wing in the MOSPI

10.34 The Rangarajan Commission recommended (at para-14.5.14 of its report) that a Consultancy Wing may be established as a new office in the NSO to cater to the increasing demand for professional statistical services, especially within the Government. The Commission was of the view that a Consultancy wing would be needed because of questionable competence of private agencies and because of the Government not being able to meet its own demand on new statistical items of work with the existing establishment. With regard to the role of the private sector in statistics, the Commission was also of the view that engaging private agencies cannot be totally done away with, but it would be possible to formulate the necessary guidelines to address the issues of quality. It was also recommended (at para-14.9.3 of its report) that the function of certification of the quality of statistics by the Commission may be extended to private producers of statistics, on a voluntary basis.

10.35 Some of the aforesaid issues have been examined and suitable recommendations were made by the NSC to the Government in its Annual Report for the financial year 2010-11. In this report, the NSC recommended a Code of Statistical Practice, which may be voluntarily followed by private statistical agencies. Recognising the fact that outsourcing statistical activities may be inevitable for the Government agencies, the NSC also recommended in this Report, guidelines to be followed by the Government, so as not to compromise on professional approach in collection and dissemination of

statistics. With regard to the concerns on quality of statistics produced by private agencies, the NSC provided appropriate measures under the National Statistical Commission Bill recommended in Chapter-2 of this report. The Bill provides for statistical service on quality assurance to private agencies.

10.36 Be that as it may, it is a matter of common knowledge that private agencies undertake statistical work with a profit motive. To that extent, the Government agencies will have to incur additional expenditure to the exchequer. While it may not be possible for the Government to enhance its establishment to meet its ad hoc statistical needs from time to time, it would be prudent for the Government to establish an organisation with its administrative oversight (not direct administrative control), which would serve the purpose without any compromise on quality, with a little extra cost which would be much smaller than the cost that it may have to shell down to private agencies in terms of their profit for the same purpose. Most of the private agencies engage persons for each project and the cost to be paid to a private agency includes mainly the staff cost, material cost, management cost and profit. If the Government can meet the first three components without adding a regular staff component to its establishment, the way it is done by private agencies, and get jobs done in a project mode, it would save lot of expenditure. Hence, Consultancy Wing if established would be beneficial to the Government.

10.37 Some efforts were earlier made by the MOSPI on setting up of a Consultancy wing during the 11th Five Year Plan period. The Plan proposals presented by the Director Generals of NSSO and CSO before the NSC in its 7th meeting held on 21st December 2006 included a proposal to create a Consultancy Wing in the MOSPI, which would take up consultancy on sample surveys, data processing, data analysis, research studies etc., from both Central & State Governments and Private Sector in the country as well as from outside the country. A budgetary provision of Rs. 47 crores was proposed for creation & maintenance of Business Register and setting up of Consultancy Wing. The NSC opined in this meeting that such a wing should not lead to generation of statistics conflicting with the official statistics and therefore institutional mechanisms should be provided in the structure of the Consultancy Wing to maintain certified standards. It appears that the proposal was not finally included in the 11th Five Year Plan.

10.38 Subsequently, on August 6, 2010, the MOSPI constituted a Steering Committee under the Chairmanship of its Secretary to examine the issue of setting up of a Consultancy Services Wing (CSW) in the MOSPI. The terms of reference of the Steering Committee are as follows.

- (i) To decide on the necessity and/ or utility of establishment of a Consultancy Wing in the MOSPI and if "Yes", to set out and define the contours and framework of a business model to install, stabilize and run such a Consultancy Wing in a professional and business-like manner;

- (ii) To formulate a strategic action plan, along with identification of actionable points and the officers/ divisions responsible for those points, time lines and Budget lines for establishment of Consultancy Services Wing in the MOSPI;
- (iii) To formulate the Terms of Reference (TORs) for the said Consultancy Services Wing, along with the associated Rules of Business and allied issues *inter-alia* providing adequate scope for incorporating changes therein, as may be warranted from time to time;
- (iv) To define the administrative and functional relationship between the proposed Consultancy Wing and MOSPI; and
- (v) Any other matter relating to the establishment of Consultancy Services Wing in the MOSPI.

10.39 The Report of the Steering Committee was submitted to the NSC for its consideration and recommendation in its 47th meeting. Salient features of the proposal on setting up of Consultancy Services Wing proposed by the Steering Committee are given below.

- (1) The proposed consultancy company may be incorporated as Public Limited Company to be named as 'STAT INDIA LTD.' or 'STATISTICS INDIA' with its registered office at National Capital Region, Delhi to run on commercial lines with monitoring, quality of information/ statistics and a complete packaged solution as main motive.
- (2) The authorized capital may be taken as Rs. 50 crores, as it is expected that it may touch the limit in 5 years. The paid-up capital may be taken as Rs. 30 crores. Initially the Government will be holding the 100% shares of the company and at a later stage, when the company starts earning profit; it may be disinvested by offering to public the shares of the company in the form of (Initial Public Offer).
- (3) The main objectives of the proposed company would be to *inter alia* provide utility oriented quality and time bound services to its clients and stakeholders for conducting statistical surveys/ studies, in India and abroad, by making use of potential available in the private sector/ autonomous bodies on commercial basis, thereby strengthening the Indian Statistical System.
- (4) The proposed company would develop technical expertise in the field of conducting statistical surveys and would manage statistical operations and quality control; whereas the actual execution of any project would be done by private companies/ autonomous bodies empanelled the proposed company. The

proposed Company will keep its margin for meeting its expenses.

- (5) The proposed company will have a Department of Marketing for planning expansion of its business through aggressive marketing strategies.
- (6) The main source of revenue of the proposed Company would be the consultancy services, technical expertise services and the statistical survey projects undertaken on task basis through vendors. Even if, the proposed company taps 25% of the business reported to be available at Central Government level, the formation of the company will be viable.
- (7) The MOSPI has been exploring possibilities of bi-lateral cooperation in statistical sector with various countries, such as, SAARC Countries, African Countries and Latin American countries. Recently, the MOSPI has signed MoU with the Government of Mongolia and Afghanistan. More MoUs are likely to be signed in near future. The proposed company may find a lucrative market in these countries.
- (8) The total expenses for the proposed company is estimated to be Rs. 23.27 crores (Personnel expenses: Rs.11.21 crores, Administrative expenses: Rs. 5.07 crores, Other expenses: 6.99 crores).
- (9) The proposed company is expected to generate revenue from the year of inception. It is expected to cover 50% of its funding by the 5th year. Total independence in terms of expenses is expected by tenth year. The seed money (Rs.30 crores in the first three years) to start the proposed company needs to be given on annual basis through budgetary process on reviewing its physical and financial performances by MOSPI.
- (10) Some of the risk factors identified are delay in approval process of the concerned ministries/departments and scarcity of qualified professionals (especially the statisticians).

10.40 The NSC, after consideration of the Report of the Steering Committee, sought further details from the CSO (SSD) on the justification for establishing a public limited company and for rejecting the options of society and Section 25 company, on the manner in which the wing would carry out its activities, whether it could include or be attached to NASA, and whether the manner in which some of the institutions, such as the Institute of Foreign Trade and Institute of Manpower Planning, have been functioning would be suitable for the Wing.

ACKNOWLEDGEMENT

The National Statistical Commission wishes to place on record its appreciation to the officers of various Government Departments at the Centre and in the States/ UTs, officers of the Reserve Bank of India, the Indian Statistical Institute and the Planning Commission, academicians and experts, with whom the Commission had interacted on various statistical issues, for their valuable inputs. It also places on record its appreciation to the cooperation rendered by the Ministry of Statistics and Programme Implementation.

The Commission is deeply indebted to the outstanding contributions made by Prof. Anil P. Gore, Member, NSC who demitted the office in December 2011. His vision has been a contributory factor to some of the recommendations made in this report.

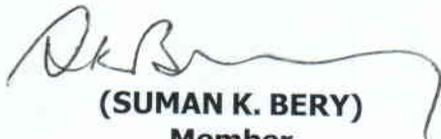
The Commission acknowledges the active participation and involvement in its meetings of Dr. T.C.A. Anant, the CSI, Shri S.K.Das, the DG (CSO) and Shri J. Dash, the DG (NSSO). The Commission thanks Shri M.V.S. Ranganadham, Dy. Director General in the NSC Secretariat for his immense contribution as Member-Secretary of the Menon Committee and for his valuable inputs and suggestions in NSC meetings. The Commission also appreciates the logistic and other support provided by the MOSPI and in particular, the supporting staff in the Commission's Secretariat.



(PROF. SUDIPTO MUNDLE)
Member



(PROF. SHIBDAS BANDYOPADHYAY)
Member



(SUMAN K. BERY)
Member



(SMT. SINDHUSHREE KHULLAR)
Secretary,
Planning Commission
Ex-officio Member



(PROF. R. RADHAKRISHNA)
Chairman

Annexures

DRAFT

THE NATIONAL STATISTICAL COMMISSION BILL, 2011

A

Bill

to provide for the establishment of a National Statistical Commission to regulate, develop, and strengthen the official statistical system of the country to promote public confidence, ensuring timeliness and reliability, achieving independence and integrity of official statistics and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Sixty-second year of the Republic of India as follows:-

Chapter-I

PRELIMINARY

1. Short title, extent and commencement:

- (1) This Act may be called the National Statistical Commission Act, 2011.
- (2) It extends to the whole of India.
- (3) It shall come in to force on such date as the Central Government may, by notification, appoint, and different dates may be appointed for different provisions of this Act and any reference to commencement in any such provision shall be construed as a reference to the date of commencement of that provision.

2. Definitions: (1) In this Act, unless the context otherwise requires:-

(a) "administrative statistics" means statistics collected or derived or capable of being collected or derived either –

(i) for the purpose of any Government agency, or

(ii) in the course of administering or implementing the provisions of any law for the time being in force;

(b) "Chairperson" means the Chairperson of the Commission;

(c) "Chief Statistician of India" means the officer appointed from time to time as Chief Statistician of India by the Central Government;

(d) "Commission" means the National Statistical Commission established under section 3;

(e) "core statistics" means any official statistical product as specified under section 14 and for the time being included in the First Schedule.

(f) "Council" means the National Statistical Development Council constituted under section 13;

(g) "Fund" means the National Statistical Fund constituted under section 31;

(h) "Government agency" means –

- (i) any Ministry or Department of the Central Government or its instrumentality;
- (ii) any Department of any State Government or its instrumentality;
- (iii) the Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934;
- (iv) any local Government,

and includes any agency thereof;

(i) "Member" means a Member of the Commission and includes Chairperson;

(j) "National Statistical Organisation" means the organisation in the Central Government known by that name, prior to the commencement of this Act;

(k) "non-Government agency" means any agency which is not a Government agency;

(l) "non-sampling error" means any error, other than a sampling error, the commission of which may result in erroneous inferences on the features of a population in any statistical survey;

(m) "notification" means a notification published in the Official Gazette;

(n) "official statistics" means statistics obtained by Government agencies from statistical surveys, administrative and registration records and other forms and papers, the statistical analyses of which are published regularly, or planned to be published regularly, or required to be published regularly, or could reasonably be expected to be published regularly;

(o) "personal information" means any information about an informant whose identity can reasonably be ascertained from such information;

(p) "population" means a class of people or any other class of things about whom statistics on economic or demographic or social or scientific or environmental aspects is collected;

(q) "prescribed" means prescribed by rules made under this Act;

(r) "regulations" means regulations made under this Act;

(s) "sampling error" means any error that may occur as a result of limiting a statistical inquiry only to a sample, instead of to a complete coverage of a population, or because of any erroneous strategy followed in drawing a sample from a population;

(t) "Schedule" means a Schedule appended to this Act;

(u) "State Government", in relation to a Union territory, means the administration thereof; and

(v) "statistical purpose" means the employment of any statistical data for compiling or collecting information at various levels of aggregation or for updating the information already compiled or collected or for updating and collecting further data or for analysing the data or its analysis.

(2) Words and expressions used but not defined in this Act shall have the respective meanings as assigned to them in the Collection of Statistics Act, 2008.

(3) Any reference in this Act to a law which is not in force in the State of Jammu and Kashmir shall in relation to that State be construed as a reference to the corresponding law, if any, in that State.

Chapter-II

NATIONAL STATISTICAL COMMISSION AND NATIONAL STATISTICAL DEVELOPMENT COUNCIL

3. Establishment and incorporation of Commission.- (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a body to be called "the National Statistical Commission".

(2) The Commission shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

(3) The headquarters of the Commission shall be at New Delhi and the Commission may establish offices at other places in India and, with the previous approval of the Central Government, outside India.

(4) The general superintendence, direction and management of the affairs of the Commission shall vest in the Commission which may exercise all such powers and do all such acts and things as may be exercised or done by the Commission under this Act.

4. Composition of Commission.- The Commission shall consist of a Chairperson and, not less than four other Members as may be prescribed by the Central Government from time to time, to be nominated on the recommendation of the Selection Committee constituted under sub-section (1) of section 5, from amongst persons of ability, integrity and standing who have special knowledge or practical experience in respect of matters relating to official statistics or experience in administering institutions dealing with the matters aforesaid or who have made outstanding contribution in the field of statistics or in any other related discipline such as economics, operations research, and computer science which would be useful to the Commission.

5. Appointment of Chairperson and other Members.- (1) The Chairperson and other Members shall be appointed by the President of India by warrant under his hand and seal after obtaining the recommendations of a Selection Committee consisting of—

- (a) The Prime Minister
- (b) Minister of Finance in the Government of India
- (c) Minister in-charge of the Department of Statistics in the Government of India
- (d) Leader of the Opposition in the Council of States
- (e) Leader of the Opposition in the House of the People

(2) The Committee, referred to in the proviso to sub-section (1) shall be assisted by a Search Committee consisting of, —

- (a) Deputy Chairperson, Planning Commission;
- (b) Governor, Reserve Bank of India;
- (c) two persons nominated by the Central Government from amongst distinguished statisticians, economists or other social scientists; and
- (d) a person who has held the office of a Chairperson of a National Statistical Commission nominated by the Central Government.

(3) No appointment of a Chairperson or any Member of the Commission shall be invalid merely by reason of absence of any member in the meetings of the Selection Committee referred to in sub-section (1) or the Search Committee referred to in sub-section (2).

6. Term of office of Chairperson and other Members.- (1) A person appointed as Chairperson or a Member shall hold office for a term of five years from the date on which he enters upon his office.

(2) A Chairperson or other Member shall be appointed as such only for one term and shall not be eligible for reappointment, but a Member (other than Chairperson) shall be eligible for appointment as a Chairperson and such appointment shall not be deemed to be one for a second term:

Provided nothing in this sub-section shall prevent a person who has been a Chairperson or a Member of the Commission from being considered for a second term after a gap of two years after cessation of his holding such office if he is otherwise eligible.

(3) On ceasing to hold office, a Chairperson or a Member shall be ineligible for further employment for a period of two years under the Government of India or under the Government of any State except in respect of such academic and research assignments, as may be prescribed.

(4) The status to be accorded to, the salary and allowances payable to, and other terms and conditions of service of, the Chairperson and other Members, shall be such, as may be prescribed.

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson or any other Member shall be varied to his disadvantage after his appointment.

7. Resignation and removal of Chairperson and other Members.- (1) The Chairperson or any other Member may, by notice in writing under his hand addressed to the President of India, resign his office.

(2) Subject to the provisions of sub-section (3), the Chairperson or any other Member shall only be removed from his office by an order of the President of India on the ground of proved misbehaviour or incapacity after finding to that effect is made by an empowered Committee constituted by the President of India.

(3) If the Chairperson or any other Member is, or becomes in any way associated, directly or indirectly in any contract or agreement made in respect of official statistics, involving conflict of interest shall, for the purpose of sub-section (2), be deemed to be proved misbehaviour.

(4) The President of India may suspend from office the Chairperson or any other Member, in respect of whom a reference has been made to the appropriate authority for inquiry in to misconduct under sub-section (2) until the President of India has passed orders on receipt of the report of the said Committee on such reference.

(5) Notwithstanding anything contained in sub-section (2), the President of India may, by order, remove from office the Chairperson or any Member if the Chairperson or such Member, as the case may be—

- (a) is adjudged insolvent; or
- (b) engages during his term of office in any paid employment outside the duties of his office; or
- (c) is unfit to continue in office by reason of infirmity of mind or body; which makes him unsuitable for the job as found by a competent medical board constituted by the President of India;
- (d) is of unsound mind and stands so declared by a competent court; or
- (e) is convicted and sentenced to imprisonment for an offence which in the opinion of the President of India involves moral turpitude.

8. Member to act as Chairperson or to discharge his functions in certain circumstances.- (1) In the event of the occurrence of any vacancy in the office of the Chairperson by reason of his death, resignation or otherwise, the President of India may, by notification, authorise one of the other Members to act as the Chairperson until the appointment of a Chairperson is made in accordance with the provisions of this Act.

(2) When the Chairperson is unable to discharge his functions owing to absence on leave or otherwise, such one of the other Members as the President of India may, by notification, authorise in this behalf, shall discharge the functions of the Chairperson until the date on which the Chairperson resumes his duties.

9. Constitution of committees.- (1) The Commission may constitute committees consisting wholly of Members or wholly of other persons or partly of Members and partly of other persons for examining the system of official statistics in respect of any subject matter or for assisting the Commission in any of its functions, as and when deemed necessary.

(2) A committee constituted under this section shall meet at such time and at such place, and shall observe such procedure in regard to the transaction of business at its meetings, as may be determined by regulations or otherwise, by the Commission.

(3) The members of a committee (other than Members of the Commission) shall be paid such fees and allowances, for attending its meetings and for attending other work of the Commission, as may be determined by regulations or otherwise by the Commission.

10. Temporary association of persons with Commission for particular purposes.- (1) The Commission may associate with itself, in such manner and for such purposes, as may be required by it, any person whose assistance or advice or service it may desire to obtain in performing any of its functions under this Act.

(2) A person associated with the Commission under sub-section (1) for any purpose may, if required by the Commission, take part in the discussions of the Commission relevant to that purpose, but shall not have a right to vote at a meeting of the Commission, and shall not be a Member for any other purpose.

(3) A person associated with the Commission under sub-section (1) for any purpose shall be paid such fees and allowances for attending its meetings or for attending other work entrusted by the Commission, as may be determined by regulations or otherwise, by the Commission.

11. Vacancy in the Commission not to invalidate acts or proceedings.- No act or proceedings of a Commission or any Committee thereof shall be called in question on the ground merely of the existence of any vacancy in or any defect in the constitution, of the Commission or such Committee, as the case may be.

12. Administrative powers of Chairperson etc.- (1) The Chairperson shall have the powers of general superintendence and direction in respect of all administrative and financial matters of the Commission.

(2) All orders and decisions of the Commission shall be authenticated by the Secretary or any other officer of the Commission duly authorised by the Chairperson in this behalf.

(3) In particular, and without prejudice to the generality of the foregoing provision, the Chairperson or any other Member of the Commission shall exercise such powers and perform such duties as may be specified by regulations, or as may, from time to time, be delegated to him by the Commission.

13. Constitution of National Statistical Development Council.- (1) For the purpose of determination of policy issues, relating to official statistics at the national level such as reforms in the statistical system, the Centre-State relations in the area of official statistics, international obligations and resource requirements in respect of official statistics and on the working of the statistical organisations in the country, and giving directions to the Commission on such issues, there shall be a National Statistical Development Council consisting of the following members namely:-

- (a) Prime Minister – President
- (b) Minister in-charge of Statistics in the Government of India – Vice-President
- (c) Chief Ministers of six States to be nominated by the Central Government – members
- (d) Deputy Chairman, Planning Commission - member
- (e) Chairperson and Members of the Commission – members

- (f) Cabinet Secretary - member
- (g) Governor, Reserve Bank of India – member

(2) The following officers shall be permanent invitees in the meetings of the Council.

- (a) Secretary, Ministry of Home Affairs
- (b) Secretary, Department of Economic Affairs
- (c) Chief Statistician of India
- (d) Chief Statistical Auditor
- (e) Chairman, University Grants Commission
- (f) Director General of the Central Statistics Office
- (g) Director General of the National Sample Survey Office
- (h) Director, Indian Statistical Institute, Kolkata

(3) The Secretary to the Commission shall be the Secretary to the Council.

(4) The Commission shall, on receipt of directions under sub-section (1), take or cause to take such steps, as may be necessary, for implementation of the recommendations of the Council.

Chapter-III

Powers and Functions of the Commission

14. Functions of the Commission in respect of core statistics.- (1) On and from the commencement of this Act, the official statistical products specified in the First Schedule shall be treated as core statistics.

(2) The Commission may, if it is of the opinion that-

- (a) any official statistical product is of national importance or critical to the economy of the country, recommend to the Central Government, the inclusion of such a product as a core statistics; or
- (b) any official statistical product included in the First Schedule is no longer necessary to be included as core statistics, recommend to the Central Government its discontinuance as a core statistics,

and on receiving any such recommendation from the Commission, the Central Government may either add or delete such product, as the case may be, from the First Schedule, by means of a notification and thereafter the First Schedule shall be deemed to have been amended accordingly.

(3) Every notification made under sub-section (2) shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one

session or in two or more successive sessions, and if, before the expiry of the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.

15. Powers of the Commission in respect of core statistics.- (1) The Commission shall, in respect of each product of core statistics, by regulations or otherwise, specify - ,

- (a) the form, the manner and the time by which collection, compilation and dissemination of statistics, in respect of such product or any other product incidental to it, shall be carried out;
- (b) statistical standards including statistical concepts, definitions, classifications and methodologies that are required to be met in producing such product;
- (c) the name or names, as the case may be, of Government agencies that are required to comply with the directions given under this section;
- (d) the qualifications and experience that may be required for the employing any person and professional ethos to be complied with by any person on being employed, for the purposes of sub-clause (a);
- (e) the terms, conditions and other safeguards that are required to be complied with while employing any agency or person to take, or aid in, or supervise any activity under sub-clause (a); and
- (f) any other requirement that is incidental.

(2) For the removal of doubts, it is hereby declared that it shall be the duty of all the Government agencies, persons and agencies engaged in matters relating to core statistics to implement the directions of the Commission as contained in sub-section (1) and submit periodical reports in such manner and form and to such officers, as may be specified by the Commission from time to time.

(3) The Commission shall have power to conduct statistical audit in the manner provided under section 22, during the course of or after the execution of any activity with regard to any product notified as core statistics.

(4) The Commission may, for the purpose of carrying out any activity in respect of any core statistics, direct any Government agency specified under sub-clause (c) of sub-section (1) on -

- (a) deployment of human resources and other resources including information technology and communication resources available with any other Government agency;
- (b) additional resources needed to be provided;
- (c) measures to promote effective statistical coordination among Government agencies involved; and
- (d) evolve and arrange to monitor any other strategy on core statistics that is incidental.

16. Powers of Commission in respect of National Sample Survey Office.- In particular, and without prejudice to the generality of the provisions under section 15, the Commission shall, in respect of the National Sample Survey Office under the National Statistical Organisation, have powers to-

- (i) formulate short period and long term statistical survey programmes;
- (ii) exercise full authority on the choice of subjects or items on which data has to be collected in a given field of investigation or in a given period, to fill gaps in statistics necessary for policy formulation and its implementation, in consultation with Government Departments at the Centre and in the States;
- (iii) decide the frequency with which data on any item is to be collected;
- (iv) formulate preparatory or pilot work to be undertaken on different subjects;
- (v) evolve sampling design to be adopted, the tabulation to be prepared, the form in which the data are to be collected and processed;
- (vi) finalise analysis and publication of results; and
- (vii) indicate, while drawing up programme of survey to be undertaken during a period, the form in which and the dates by which the results and unit level data shall be disseminated.

17. General powers of the Commission. – (1) Subject to the provisions of this Act and the rules made thereunder, the Commission shall have power to –

- (a) convene meetings with users of official statistics from time to time to review user needs for such statistics;
- (b) monitor and review the statistical system of any Government agency in the light of established policies, standards and methodologies and recommend measures for enhanced performance;
- (c) promote research and institute awards for outstanding work in official statistics;

- (d) participate in, and in consultation with the Central Government coordinate with, international statistical organisations on matters of statistical standards, methodologies and classifications;
 - (e) lay down good practices, from time to time, for guiding Government agencies and persons engaged in any activity relating to official statistics;
 - (f) lay down standards for integration of data collected by different Government agencies, and for ensuring comparability at national and international levels;
 - (g) lay down standards to maintain lists of informants along with other statistical information on each informant as may be required in statistical surveys;
 - (h) specify the manner in which any data gap is to be filled up or any unnecessary duplication in collection of statistics has to be avoided;
 - (i) advice any Government agency on methodological aspects of any statistical survey proposed to be undertaken by it;
 - (j) levy fees and other charges at such rates and in respect of such services as may be determined by regulations;
 - (k) record its assessment on the performance for such period and of such officials of the National Statistical Organisation, as may be prescribed; and
 - (l) perform such other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act.
- (2) The Commission, for the purpose of exercising its mandate under this Act or the rules or regulations made thereunder, shall have powers to:
- (a) require production of any document; or
 - (b) require any Government agency to provide details of statistical activities, including concepts and definitions used, methodologies followed, quality standards adopted, sampling and non-sampling errors, etc., in respect of a statistical activity or a product; or
 - (c) require attendance of any person including any public servant; or
 - (d) issue notice for the examination of any witness or document.

18. Advisory functions of the Commission.- The Commission may, from time to time, advise the Central Government or any State Government, on any matter relating to official statistics, including –

- (a) legislative measures to be undertaken in statistical matters;
- (b) policies and priorities relating to official statistics and standard statistical concepts, definitions, classifications and methodologies in different areas in official statistics;
- (c) strategies for human resource development including information technology and communication needs for the official statistical system;
- (d) measures for improving public trust and promoting public awareness in official statistics;
- (e) creation of new posts or reallocation of existing posts and on reallocation of budgetary and other resources in respect of official statistics;
- (f) changes in service conditions of the Indian Statistical Service, the Sub-ordinate Statistical Service and other statistical cadres;
- (g) establishing high professional standards and devising code of conduct or practice so as to build up an ethos for the profession of statistics so as to achieve highest standard and professional excellence in activities relating to official statistics;
- (h) teaching and research;
- (i) safeguards and other precautions to be observed while outsourcing any statistical activity;
- (j) measures for ensuring confidentiality and security of official statistics, including protection of personal information from any unauthorised or illegal access, without compromising on meeting any statistical purpose;
- (k) the manner of controlling sampling and non-sampling errors; and
- (l) the manner of reducing burden on informants in furnishing information in any collection of statistics.

19. Power of Commission on administrative statistics.-

Notwithstanding anything contained in any law for the time being in force, the Commission may require collection, compilation and dissemination of administrative statistics with such periodicity and in such format, as may be determined by the Commission by regulations.

20. Power of Commission in respect of statistics produced by non-Government agencies.- (1) If the Commission is of the opinion that any

statistics produced by any non-Government agency is of public interest, it may order for statistical audit in a manner provided under section 22, and where necessary, recommend appropriate action to the Central Government.

(2) Every non-Government agency shall render such help and assistance and furnish such information to an officer of the National Statistical Appraisal and Assessment Organisation authorised for the purpose, as he may require for the statistical audit directed under sub-section (1) and shall make available for inspection and examination, such records, plans, other documents and data, as may be necessary.

21. Power of Commission in respect of quality of statistics.- (1) The Commission shall, on receipt of a request from any Government agency or any private producer of statistics and on receipt of such fee, as may be determined by the Commission, have power to furnish its opinion on quality of statistics produced by the Government agency or the private producer, as the case may be, after such inquiry into concepts, definitions, classifications, and methodology used in producing such statistics, and such other details, as may be necessary.

(2) Where the Commission has furnished its opinion on quality of statistics referred to in sub-section (1), -

- (a) the Commission shall publish its opinion in such manner and in such form, as may be determined by the Commission in case the opinion is in respect of statistics produced by any Government agency; and
- (b) a private producer shall have the right to publish the opinion furnished by the Commission, in respect of statistics produced by him:

Provided that in case any Government agency, which in the opinion of the Commission, has been using statistics produced by such private producer, the Commission shall also forward its opinion on the quality of such statistics to that Government agency.

22. Powers of the Commission on statistical audit.- (1) The Commission shall have power to obtain a report on any statistical audit from the National Statistical Appraisal and Assessment Organisation referred in section 26, in such format and within such period, as may be specified by the Commission in this behalf.

(2) The Commission shall satisfy itself about the correctness of the facts stated and the conclusions, if any, arrived at in the report submitted to it under sub-section (1) and for this purpose the Commission may make such inquiry (including the examination of the person or persons who conducted or assisted in the statistical audit) as it thinks fit.

(3) The Commission may, on the basis of a report on statistical audit referred to in sub-sections (1) and (2), direct any Government agency, the adoption of such measures for improvement, as may be deemed necessary.

23. Sharing of official statistics.- For the purpose of avoiding unnecessary duplication, the Commission shall have power to,-

(a) direct the National Statistical Organisation or any other Government agency to integrate official statistics collected from time to time by different Government agencies on the basis of such criteria, as may be determined by the Commission and thereafter direct any Government agency on steps to fill up any data gap, in such manner and form and at such intervals, as may be specified by the Commission in this behalf;

(b) direct any Government agency, which in the opinion of the Commission is appropriate for the purpose, to prepare and update from time to time, statistical registers containing list of persons or business enterprises or any other lists which in the opinion of the Commission may be used by any Government agency for any statistical purpose; and

(c) direct any Government agency to furnish official statistics integrated under clause (a) or statistical registers prepared under clause (b),-

(i) to any other Government agency for any statistical purpose in such manner and form and at such intervals, as may be specified by the Commission in this behalf; or

(ii) to any person in a manner not inconsistent with the provisions of this Act on payment of such fee, as may be determined by the Commission.

24. Courts to furnish judicial statistics.- Notwithstanding anything contained in any other law for the time being in force, the registry or the administrative office of every court, Tribunal or other authority performing any judicial or quasi-judicial functions, including any regulatory authority, whether established under any law or otherwise, shall compile and disseminate statistical details of the cases, petitions and applications filed or disposed off by such authority or remaining pending for disposal by such authority in such manner, in such form and manner and at such intervals, as may be specified by the Commission.

Chapter-IV **Offices and officers under the Commission**

25. Secretariat of the Commission.- (1) Subject to such rules as may be made in this behalf, the Commission shall appoint a person in the rank not below that of an Additional Secretary to the Government of India as Secretary of the Commission, with such salary and allowances and other terms and

conditions of service, as may be determined by the Commission by regulations in this behalf.

(2) The Secretary of the Commission shall be the Chief Executive Officer of the Commission and shall exercise such powers and discharge such functions of the Commission as may be delegated to him by the Commission or the Chairperson, as the case may be.

(3) Subject to such rules as may be made in this behalf, the Commission may appoint such other persons including any official of a Government agency on deputation basis, subject to such terms and conditions and with such qualifications and experience, as the Commission may determine by regulations in this behalf.

26. National Statistical Appraisal and Assessment Organisation.- (1) The Commission shall set up a Division called 'the National Statistical Appraisal and Assessment Organisation' with its offices at such places in India, as deemed necessary.

(2) The National Statistical Appraisal and Assessment Organisation referred to in sub section (1) shall be in charge of statistical audit, including the evaluation of statistical tools, processes and products employed in official statistics and shall be devoted to ascertain whether any process applied in a statistical activity or a statistical product relating to official statistics is in accordance with the standards, if any, specified by the Commission or whether there is any violation of professional ethics or bias by any person engaged in any such process and to ascertain such other details or deficiencies in the system that require to be addressed, as may be specified by regulations or otherwise by the Commission in this behalf.

(3) The National Statistical Appraisal and Assessment Organisation may undertake concurrent statistical audit of any statistical survey being conducted by a Government agency, including National Statistical Organisation, as may be directed by the Commission

27. Appointment of Chief Statistical Auditor.- (1) The Commission shall appoint a person as Chief Statistical Auditor in the rank of a Secretary to the Government of India with such qualifications and experience and on such terms and conditions as may be specified by regulations by the Commission in this behalf, to head the National Statistical Appraisal and Assessment Organisation referred to in sub-section (1) of section 26 and to exercise the powers conferred upon, and perform the functions assigned to him, under this Act and the rules and regulations made thereunder.

(2) The Commission may appoint other persons, as may be required to assist the Chief Statistical Auditor, on such terms and conditions, as the Commission may specify by regulations or otherwise.

(3) The Chief Statistical Auditor or any person appointed under sub-sections (1) and (2) shall perform the functions assigned to them under this Act and the rules and regulations and subject to the direction and control of the Commission, may, for the purpose of statistical audit, exercise the powers referred in clauses (a) to (d) of sub-section (2) of section 17.

Chapter-V

Arrangements for implementation of statistical policies and priorities

28. Implementation mechanism.- (1) The National Statistical Organisation shall be responsible for implementing the policies and priorities as laid down from time to time by the Commission and its responsibilities shall include, -

- (a) implementation and maintenance of statistical standards and coordination of statistical activities among Government agencies as laid down by the Commission from time to time;
- (b) collecting or arranging to collect core Statistics, as per the directions of the Commission;
- (c) publishing core statistics at regular intervals together with critical analysis regarding the quality of data and implication of the use of data in policy making and administration;
- (d) arranging training for statistical personnel and for the purpose utilising the services of universities, research institutions and experts in relevant fields on such terms and conditions and on payment of such fee, as may be determined by the Commission;
- (e) maintaining a warehouse for core statistics, for dissemination amongst all users in the public and private sectors inside and outside the country and serve as the sole provider of information to foreign Governments, international bodies and United Nations agencies;
- (f) undertaking statistical surveys as may be directed by the Commission from time to time; and
- (g) outsourcing of statistical activities as may be necessary, subject to such safeguards, and such terms and conditions including compensation or fee, as may be specified by the Commission from time to time.

(2) It shall be the duty of the Chief Statistician of India, in addition to his other responsibilities, to act in support of the efficient discharge of the functions of the Commission, and he shall, as per the directions of the Commission,-

- (a) provide leadership to statistical activities by promoting coordination among Government agencies;
- (b) assist the Commission in evolving and implementing statistical strategies;

- (c) assist the Commission to decide and reallocate statistical priorities;
- (d) promote reliability and integrity of official statistics; and
- (e) obtain reports from such officers or Government agencies and submit reports to the Commission, in such form, in such manner and at such intervals, as may be specified by the Commission from time to time, on the progress of implementation of directions and recommendations of the Commission.

29. Responsibilities of Government agencies in respect of core statistics. – Every Government agency engaged in any activity in respect of core statistics shall implement the directions of the Commission on core statistics and for the purpose, assign the related coordination work to such officers as may be prescribed, who shall, -

- (a) be responsible to and associated closely with, the Chief Statistician of India in implementing the directions of the Commission;
- (b) coordinate flow of statistical information to and from the National Statistical Organisation; and
- (c) perform such other functions, as may be prescribed.

30. Duties of statistical personnel. - Any person engaged in official statistics in any Government agency shall implement the directions of the Commission in respect of core statistics relevant to his work and submit periodical reports as may be specified by the Commission from time to time.

Chapter-VI

FINANCE, ACCOUNTS AND AUDIT

31. Constitution of Funds.- (1) There shall be constituted a Fund to be called 'the National Statistical Fund' and there shall be credited thereto-

- (a) all Government grants, fees and charges received by the Commission;
- (b) all sums received by the Commission from such other source as may be decided by the Central Government.

(2) All moneys belonging to the Fund referred in sub-section (1) shall be deposited in any Nationalised Bank.

(3) The Fund shall be applied for meeting –

- (a) the salaries, allowances and other remuneration of the Members, and officers, other employees, persons and agencies employed by the Commission;
- (b) the other expenses of the Commission in connection with the discharge of its functions and for the purposes of this Act;
- (c) the expenses on objects and for purposes authorised by this Act.

32. Grants by Central Government.- (1) The Central Government shall, after due appropriation made by Parliament by law in this behalf, make to the Commission an initial endowment grant of such sum as may be adequate to establish the Commission, as deemed appropriate by the Parliament.

(2) Not less than five percent of the budgetary grant allocated by the Central Government to the National Statistical Organisation in each financial year, as may be determined by the Central Government, shall devolve automatically as a Grant to the Commission.

(3) In addition to the grant referred to in sub-sections (1) and (2), the Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Commission grants of such sums of money as the Government may think fit for being utilised for the purposes of this Act.

33. Accounts and Audit.- (1) The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The Accounts of the Commission shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Commission to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General or any person appointed by him in connection with the audit of the accounts of the Commission under this Act shall have the same rights and privileges and the authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Commission.

(4) The accounts of the Commission as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the Central Government by the Commission and the Central Government shall cause the audit report to be laid as soon as may be after it is received before each House of Parliament.

34. Exemption from tax on wealth and income.- Notwithstanding anything contained in the Wealth-tax Act, 1957, the Income Tax Act, 1961, or any other enactment for the time being in force relating to tax on wealth, income, profits or gains, the Commission shall not be liable to pay wealth-tax, income tax or any other tax in respect of its wealth, income, profits or gains derived.

Chapter-VII

Reports of the Commission

35. Annual and special reports of the Commission.- (1) The Commission shall submit an annual report to the Central Government and to the State Government concerned and may at any time submit special report on any matter which, in its opinion, is of such urgency or importance that it should not be deferred till submission of the annual report.

(2) The Central Government and the State Government, as the case may be, shall cause the annual and special reports of the Commission to be laid before each House of Parliament or the State Legislature respectively, as the case may be, along with a memorandum of action taken or proposed to be taken on the recommendations of the Commission and the reasons for non-acceptance of the recommendations, if any.

Chapter-VIII

Inquiries, offences and penalties

36. Powers relating to inquiries etc.- The Commission shall, while inquiring into any complaint under this Act, have all the powers of a civil court trying a suit under the Act of Civil Procedure, 1908, and in particular in respect of the matters, referred in clauses (a) to (d) of sub-section (2) of section 17 or any other matter, as may be prescribed.

37. Statement made by persons to the Commission.- No statement made or no information furnished by a person to the Commission in the course of performing any duty under the provisions of this Act or the rules or the regulations or directions made thereunder shall subject him to, or be used against him in, any civil or criminal or departmental proceeding except in a prosecution under this Act for giving false statement or false information.

38. Professional ethics.- Every person who has to perform any duty or function under this Act or the rules or regulations or directions made thereunder shall-

- (1) be bound to perform such duty or function;
- (2) be bound to maintain confidentiality of data and shall not divulge any information except in the manner provided in this Act or the rules or the regulations or directions made thereunder.

39. Power to Censure.- (1) Where, on receipt of a complaint made to it or otherwise, the Commission has reason to believe that a Government agency has not complied with the standards of statistical ethics or that any person engaged in official statistics has committed any professional misconduct or without lawful excuse failed to perform any duty assigned under sub-section

(2) of section 15, the Commission may, after giving the Government agency, an opportunity of being heard and holding an inquiry in such manner as may be provided by regulations, for reasons to be recorded in writing, warn, admonish or censure the Government agency or disapprove the conduct of the agency, as may be necessary.

(2) Any order made under sub-section (1) shall be subject to appeal to the Commission, within such time as may be specified in that order, and any order made by the Commission on such appeal shall be final.

(3) If the Commission is of the opinion that it is necessary or expedient in public interest so to do, it may publish in such manner as it deems fit, any particulars relating to any inquiry under this section against a Government agency, including the name of such Government agency.

(4) Nothing in sub-section (1) shall be deemed to empower the Commission to hold an inquiry into any matter in respect of which any proceeding is pending in a court of law.

CHAPTER-IX MISCELLANEOUS

40. Delegation of powers to officers.- The Commission may, by regulations or by order, and subject to such conditions and limitations, if any, as may be specified therein, delegate, to any Member or officer of the Commission, such of its powers and functions under this Act or the rules framed thereunder.

41. Government agencies to assist.- (1) All Government agencies shall render such help and assistance, including assisting the Commission in any of its meetings as may be required by it, and furnish such information to the Commission as it may require for the discharge of its functions, and shall make available to the Commission for inspection and examination such records, plans and other documents, as may be necessary, for the discharge of its functions.

(2) Where an activity before being carried out requires the advice or direction of the Commission under this Act, such activity shall not be carried out by any Government agency without the advice or direction of the Commission.

42. Members and officers to be public servants.- Every Member and every officer or person appointed or authorised to exercise any function under this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

43. Bar of jurisdiction.- No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Commission is empowered by or under this Act to determine, and no injunction shall be

granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

44. Protection of action taken in good faith.- No suit or other legal proceeding shall lie against the Central Government, State Government, the Commission or any Member thereof or any person acting under the direction either of the Central Government, State Government, the Commission in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or any order made thereunder or in respect of the publication by or under the authority of the Central Government, State Government, the Commission of any report, paper or proceedings.

45. Overriding effect.- The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

46. Power of Central Government to make rules.- (1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:-

- (a) the numbers of Members (other than Chairperson) in the Commission under section 4;
- (b) the academic and research assignments that are required to be exempted under sub-section (3) of section 6;
- (c) the status, the salaries and allowances and other terms and conditions of service of the Chairperson and other Members under sub-section (4) of section 6;
- (d) the recording of assessment under clause (k) of sub-section (1) of section 17;
- (e) assigning coordination work on core statistics and other functions to officers under section 29;
- (f) the form in which the annual statement of accounts is to be prepared by the Commission under sub-section (1) of section 33;
- (g) any other power of a civil court required to be prescribed under section 36; and
- (h) any other matter which has to be, or may be, prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

47. Power of Commission to make Regulations.- (1) Subject to the provisions of this Act and the rules made thereunder, the Commission may, by notification, make regulations to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:-

- (a) the procedure for meetings of committees constituted by the Commission under sub-section (2) of section 9;
- (b) the fees and allowances for members of committees constituted by the Commission under sub-section (3) of section 9;
- (c) the fees and allowances for persons associated with the Commission under sub-section (3) of section 10;
- (d) the powers and duties of the Chairperson or any other Member under sub-section (3) of section 12;
- (e) the requirements that need to be specified in respect of core statistics under sub-section (1) of section 15;
- (f) the rates at which and the services for which fees and other charges are to be levied under sub-clause (j) of sub-section (1) of section 17;
- (g) the collection, compilation and dissemination of any administrative statistics under section 19;
- (h) the salary and allowances and other terms and conditions of service of secretary of the Commission under sub-section (1) of section 25 and those of the Chief Statistical Auditor under sub-section (1) of section 27;
- (i) the terms and conditions etc., of persons appointed under sub-section (3) of section 25 or under sub-section (2) of section 27;

- (j) the details required to be specified for a statistical audit under sub-section (2) of section 26;
- (k) the manner of holding inquiry under section 39;
- (l) the delegation of powers to any Member or officer under section 40; and
- (m) any other matter which has to be, or may be, specified by regulations.

(3) Every regulation made by the Commission under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulations or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

48. Power to remove difficulties.- (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government in consultation with the Commission, may by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be, after it is made, be laid before each house of Parliament.

49. Amendment of enactment.- The Collection of Statistics Act, 2008 shall be amended in the manner specified in the Second Schedule to this Act.

THE FIRST SCHEDULE

(See section 14)

List of official statistical products identified as core statistics

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
1: National Income				
1.	Gross Domestic Product (GDP) at factor cost	Quarterly/ Annual	Analytical statistics	Central Statistics Office
2.	Net factor income from abroad	Quarterly/ Annual	Analytical statistics	Central Statistics Office
3.	Consumption of fixed capital	Quarterly/ Annual	Analytical statistics	Central Statistics Office
4.	Indirect taxes	Quarterly/ Annual	Analytical statistics	Central Statistics Office
5.	Subsidies	Quarterly/ Annual	Analytical statistics	Central Statistics Office
6.	Private final consumption expenditure in domestic market	Quarterly/ Annual	Analytical statistics	Central Statistics Office
7.	Government final consumption expenditure	Quarterly/ Annual	Analytical statistics	Central Statistics Office
8.	Gross Domestic capital formation (adjusted)	Quarterly/ Annual	Analytical statistics	Central Statistics Office
9.	Net Domestic capital formation (adjusted)	Quarterly/ Annual	Analytical statistics	Central Statistics Office
10.	GDP at current market prices	Quarterly/ Annual	Analytical statistics	Central Statistics Office
11.	Domestic savings	Quarterly/ Annual	Analytical statistics	Central Statistics Office
12.	Household sector savings	Quarterly/ Annual	Analytical statistics	Central Statistics Office
13.	Private corporate sector savings	Quarterly/ Annual	Analytical statistics	Central Statistics Office
14.	Public sector savings	Quarterly/ Annual	Analytical statistics	Central Statistics Office
15.	Gross capital formation by type of institutions at	Quarterly/ Annual	Analytical statistics	Central Statistics Office

	current prices			
16.	Net capital stock by type of institution	Quarterly/ Annual	Analytical statistics	Central Statistics Office
17.	Capital-output ratio	Quarterly/ Annual	Analytical statistics	Central Statistics Office
18.	Per capita Gross State Domestic Product	Annual	Analytical statistics	Central Statistics Office, States/ UTs
19.	Per capita Net State Domestic Product	Annual	Analytical statistics	Central Statistics Office, States/ UTs
20.	Input-output transactions table	Quinquennial	Analytical statistics	Central Statistics Office

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
2: Production & Services sectors				
21.	Landholdings Number, area, tenancy, land utilization, cropping pattern, irrigation particulars of different size classes	Quinquennial	Landholdings and Agriculture Census	Department of Agriculture & Cooperation
22.	Land Use statistics and crop area statistics generated through TRS/ EARAS Schemes	Agricultural Season	Administrative Statistics	Department of Agriculture & Cooperation, States/ UTs
23.	Production (quantity) of major agricultural crops	Agricultural Season	Administrative statistics, Sample Surveys	Department of Agriculture and Cooperation
24.	Yield (quantity) per hectare of major agricultural crops	Agricultural Season	Sample Surveys	Department of Agriculture and Cooperation
25.	Value of output from agriculture, horticulture, and livestock	Annual	Administrative statistics, Sample Surveys	Department of Agriculture and Cooperation, Department of Animal Husbandry,

				Dairying & Fisheries
26.	Value of input from agriculture, horticulture, and livestock	Annual	Administrative statistics, Sample Surveys	Department of Agriculture and Cooperation, Department of Animal Husbandry, Dairying & Fisheries
27.	Livestock, Poultry, Agricultural Machinery and Implements and Fisheries Statistics	Quinquennial	Livestock Census	Department of Animal Husbandry, Dairying & Fisheries
28.	Production of marine fish, inland fish and cultivated fish	Annual	Sample Survey	Department of Animal Husbandry, Dairying & Fisheries
29.	Area, production and prices of forest products	Annual	Sample Surveys	Ministry of Environment and Forests
30.	Output, input, value added, capital and employment in Mining and Quarrying	Annual	Administrative Statistics, Sample Survey	Ministry of Mines, Ministry of Coal
31.	Output, input, value added, capital and employment in Manufacturing	Annual	Administrative Statistics, Sample Survey	Concerned Administrative Ministries, National Sample Survey Office
32.	Output, input, value added, capital and employment in Electricity, installed capacity, generation, electricity consumption/ per capita availability, no. of villages/ households electrified, electricity transmission and distribution system, Transmission &	Annual	Administrative Statistics	Central Electricity Authority

	Distribution losses			
33.	Output, input, value added, capital and employment in Construction	Annual	Sample Survey	National Buildings Organisation
34.	Output, input, value added, capital and employment in unorganised/informal sector	Quinquennial	Economic census and Sample survey for each sector	Central Statistics Office, National Sample Survey Office
35.	Index of Industrial Production	Quarterly	Administrative Statistics	Central Statistics Office
36.	Performance of infrastructure sectors, namely, civil aviation, power, railways, telecommunication, roads & highways, ports, cement etc.	Annual	Administrative Statistics	Concerned Ministries, Central Statistics Office
37.	Foreign Trade Statistics of India (Principal commodities and countries)- quantum and value	Half-yearly	Administrative Statistics	DGCI&S
38.	Statistics of Foreign & Coastal cargo Movement of India and the Inter-State Movements/ Flows of Goods by Rail, River and Air	Annual	Administrative Statistics	DGCI&S
39.	Statistics on area, yield, manufacturing, imports & exports, employment, in respect of tea, coffee, spices and rubber	Annual	Administrative Statistics	Department of Commerce
40.	volume and other related characteristics of Inter-State trade		Administrative Statistics	DGFT, DGCI&S
41.	Indices of Unit Value and Quantum of Foreign Trade	Quarterly Annual	Administrative Statistics	DGFT, DGCI&S

42.	Performance Indicators for Chemicals & Petrochemicals	Annual	Administrative Statistics	Department of Chemicals & Petrochemicals
43.	Performance Indicators for Steel	Annual	Administrative Statistics	Ministry of Steel
44.	Production, imports and consumption of coal and lignite	Annual	Administrative Statistics	Ministry of Coal
45.	Production imports and consumption of fertilizers (nitrogen, phosphorus, and potassium)	Annual	Administrative Statistics	Department of Fertilizers
46.	Production of crude oil, all petroleum products, natural gas, Liquefied natural gas (LNG), imports/ exports of oil & petroleum products and consumption of petroleum products	Annual	Administrative statistics	Ministry of Petroleum and Natural Gas
47.	Performance indicators for Railways, construction of railway lines, passengers and cargo carried etc	Annual	Administrative statistics	Ministry of Railways
48.	Road statistics-length of roads constructed, total highways, no of vehicles registered	Annual	Administrative statistics	Ministry of Surface transport
49.	Air transport- no of passengers, including airport statistics cargo carried, passenger and cargo earnings	Annual	Administrative statistics	Ministry of Civil Aviation
50.	Water transport including port statistics, passengers and cargo handled	Annual	Administrative statistics	Ministry of Shipping
51.	Communication	Monthly	Administrative	Dept of

	statistics- no of subscribers- landline and wireless, average revenue per user, average minutes usage, usage of internet, teledensity	Annual	statistics Analytical	Telecom, Telecom Regulatory Authority of India
52.	Tourist Arrivals Foreign Exchange earnings	Annual	Administrative Statistics	Ministry of Tourism
53.	Output, Input, value added, capital and employment in unorganized/ Informal sector	Quinquennial	Sample survey	MOSPI & States
54.	Statistical Data obtained under the Companies Act	Annual	Administrative Statistics	Ministry of Corporate Affairs
55.	Public Enterprises- Survey- Number, turnover, capital employed, Profitability ratios, Investment,	Annual	Administrative Statistics	Department of Public Enterprises

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
3: Budgetary Transactions				
56.	Revenue receipts (actuals)	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
57.	Capital receipts (actuals)	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
58.	Non-plan expenditure (actuals) on revenue account	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
59.	Non-plan expenditure (actuals) on	Annual	Administrative statistics	Ministry of Finance and State/ UT

	capital account			Governments
60.	Plan expenditure (actuals) on revenue account	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
61.	Plan expenditure (actuals) on capital account	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
62.	Revenue deficit (actuals)	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
63.	Fiscal deficit (actuals)	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments
64.	Primary deficit (actual)	Annual	Administrative statistics	Ministry of Finance and State/ UT Governments

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
4: Money and Banking				
65.	Currency with the public	Annual	Administrative Statistics	Reserve Bank of India
66.	Deposit money with the Public	Annual	Administrative Statistics	Reserve Bank of India
67.	Post office savings bank and other deposits	Annual	Administrative Statistics	Reserve Bank of India
68.	Time Deposits with Banks	Annual	Administrative Statistics	Reserve Bank of India
69.	Credit-deposit ratio of scheduled commercial banks	Annual	Administrative Statistics	Reserve Bank of India
70.	Investment-deposit ratio of scheduled commercial	Annual	Administrative Statistics	Reserve Bank of India

	banks			
71.	Outstanding credit of scheduled commercial banks by type of occupation	Annual	Administrative Statistics	Reserve Bank of India
72.	Resource Mobilisation from Primary Market	Annual	Administrative Statistics	Securities Exchange Board of India

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
5: Capital Market				
73.	Resource Mobilisation by Mutual Funds	Annual	Administrative Statistics	Securities Exchange Board of India
74.	Foreign Institutional Investors investments	Annual	Administrative Statistics	Securities Exchange Board of India
75.	Trading value of capital market segment	Annual	Administrative Statistics	National Stock Exchange
76.	Trading value of Futures and options market segment	Annual	Administrative Statistics	National Stock Exchange
77.	Trading value of Wholesale Debt Market (WDM) segment	Annual	Administrative Statistics	National Stock Exchange

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
6: Indices and other short term indicators				
78.	Wholesale Price Index	Monthly	Sample Survey	Department of Commerce
79.	Consumer Price Index (Rural/	Monthly	Sample Survey	Central Statistics Office

	Urban)				
80.	Consumer Price Index for industrial workers	Monthly	Sample Survey	Labour Bureau	
81.	Consumer Price Index for agricultural labourers	Monthly	Sample Survey	Labour Bureau	
82.	Service Price Index	Monthly	Sample Survey	Department of Industry	
83.	Housing price Index	6 monthly	Sample Survey	National Housing Bureau	
84.	Index of Service production	Monthly	Sample Survey	MOSPI	
85.	Quarterly financial results of companies listed on stock exchanges	Quarterly		Securities Exchange Board of India/ RBI	

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
7. External Sector				
86.	Foreign Exchange Reserves	Monthly	Administrative statistics	Reserve Bank of India
87.	Balance of payments	Annual	Administrative statistics	Reserve Bank of India
88.	Exchange rate for Indian rupee vis-à-vis other countries	Monthly	Administrative statistics	Reserve Bank of India
89.	Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER)	Monthly	Administrative statistics	Reserve Bank of India
90.	Value of exports by commodity group	Annual	Administrative statistics	Reserve Bank of India
91.	Value of imports by commodity	Annual	Administrative statistics	Reserve Bank of India

	group			
92.	Value of exports and imports with major trading countries	Annual	Administrative statistics	Reserve Bank of India
93.	Foreign investment inflows	Monthly	Administrative statistics	Reserve Bank of India

S. No.	Product/ Indicator/ Data set	Periodicity	Source	Office
8: Demography, Social and Environment Sectors				
94.	Vital statistics, literacy and population by identified social groups	Decennial	Census	O/o Registrar General and Census Commissioner
95.	Population projections	Annual	Analytical	O/o Registrar General and Census Commissioner
96.	Vital Statistics	Annual	Administrative statistics	O/o Registrar General and Census Commissioner
97.	Vital rates/ ratios	Annual	Sample Survey	O/o Registrar General and Census Commissioner
98.	Consumer expenditure by State and by rural/ urban sectors	Quinquennial	Sample Survey	National Sample Survey Office
99.	Number of persons employed according to usual status and current weekly status by State and by rural/ urban sectors	Quinquennial	Sample Survey	National Sample Survey Office
100.	Labour Force participation rate	Quinquennial	Sample Survey	National Sample Survey Office

	(LFPR) and Work Force participation rate (WFPR) by State and by rural/urban sectors			
101.	No. of gainfully employed persons by type of economic activity	Quinquennial	Sample Survey	National Sample Survey Office
102.	Health characteristics by identified social groups	Quinquennial	National Family Health Surveys	Ministry of Health & Family Welfare
103.	Health care facilities (hospitals/ beds/ dispensaries), medical manpower (doctors), medical education (under-graduate, Post-graduate and paramedical courses) and licensed pharmacies	Annual	Administrative statistics	Ministry of Health & Family Welfare
104.	Indicators on maternal health, child health, family planning etc.	Annual	Annual Health Survey	Ministry of Health & Family Welfare
105.	Indicators on maternal health, child health, family planning etc.	5-7 years	District Level Household and facility Survey/ National Family Health S/ Sample Registration System	Ministry of Health & Family Welfare, Office of Registrar General of India
106.	Statistics on number of institutions,	Annual	Administrative Statistics	Department of Higher Education

	enrolment, number of teachers, allocation and expenditure on education			
107.	Vital statistics under the Civil Registration System	Quarterly	Administrative Statistics	Office of Registrar General of India, States/ UTs
108.	Vital statistics under Sample Registration System	Annual	Sample Survey	Office of Registrar General of India
109.	Data on quality and availability of drinking water and safe/ improved sanitation facility	Annual	Sample Survey	Department of Drinking Water Supply
110.	Allocation and off take of food grains under Public Distribution System	Annual	Administrative Statistics	Department of Food & Public Distribution System
111.	Statistics on land records	Annual	Survey under National Land Records Modernisation Programme	Department of Land Resources
112.	Poverty – Head Count Ratio	Quinquennial	Analytical Statistics	Planning Commission
113.	Millennium Development Goals	Annual	Administrative Statistics	MOSPI with the support of respective Ministries
114.	Diet and Nutritional Status of Population in Rural areas	Annual	Sample Survey	National Nutrition Monitoring Bureau
115.	Ambient air quality in major cities	annual	Administrative Statistics	Central Pollution Control Board
116.	Total Absolute Emissions of Carbon Dioxide	annual	Administrative Statistics	Central Electricity Authority

	(CO ₂) from the Power Sector			
117.	Gross and Net production and utilisation of Natural Gas in India	annual	Administrative Statistics	Ministry of Petroleum and Natural Gas
118.	Monsoon Performance	annual	Administrative Statistics	Indian Meteorological Department
119.	Water, oceans, lakes, ground water and rivers	annual	Administrative Statistics	Central Ground Water Board (Ministry of Water Resources), Central Water Commission
120.	Solar Power	annual	Administrative Statistics	Ministry of New and Renewable Resources

THE SECOND SCHEDULE

(See section 49)

AMENDMENTS TO THE COLLECTION OF STATISTICS ACT, 2008 (7 OF 2009)

1. In the Act, to sub-section (2) of section 1, the following proviso shall be added at the end, namely, –

“Provided that nothing in this sub-section shall prevent any directions being given under this Act with respect to any statistical survey or otherwise relating to any matter falling under any of the entries specified in List-I (Union List) or List-III (Concurrent List) of the Seventh Schedule to the Constitution as for the time being applicable to the State of Jammu and Kashmir.”

2. In section 2,

(1) after clause (b), the following clause shall be inserted, namely –

‘(bb) “Commission” means the National Statistical Commission of India constituted under the National Statistical Commission Act, 2011’.

(2) in clause (b), after the words and figure ‘under section 3’, the words, figure and letter “appointment of nodal officers under section 3A” shall be inserted.

3. After section 3, the following section shall be inserted, namely: -

“3A. Nodal Officer: (1) The appropriate Government shall designate one of its officers in the Ministry or Department dealing with statistical matters as a nodal officer.

(2) Every nodal officer appointed under sub-section (1) shall coordinate and supervise all statistical activities in the Central Government or the State Government, as the case may be, and also exercise such other powers and perform such other duties, as may be prescribed.”

4. Section 27 shall be omitted.

5. In section 28, after the words ‘Central Government’, the words ‘or the Commission’ shall be inserted.

6. In sub-section (2) of section 33, after clause (d), the following clauses shall be inserted, namely –

“(dd) the manner in which personal information collected shall be used by any agency engaged in the collection of statistics;

(ddd) the procedure to be followed in dealing with offences under this Act.”

Proposed Amendments to the Census Act, 1948 (37 of 1948)

(a) for the long title, the following shall be substituted, namely:-

"An Act to provide for the taking of census in India and to provide for certain matters in connection with the taking of such census";

(b) in section 2, clauses (a), (b) and (c), shall be re-lettered as clauses (e), (f) and (g) thereof, and before the clauses, as so re-lettered, the following clauses shall be inserted, namely:-

'(a) "Census Commissioner" means the Census Commissioner appointed under section 4;

(b) "census-officer" means a census-officer appointed under sub-section (2) of section 4;

(c) "Commission" means the National Statistical Commission constituted under section 3 of the National Statistical Code 2011;

(d) "Director" means the Director of Census Operations appointed under section 4A.'

(c) section 3 shall be renumbered as sub-section (1) thereof, and -

(1) in sub-section (1), as so renumbered, after the words "Official Gazette", the words "and in consultation with the Commission," shall be inserted;

(2) after sub section (1) as so renumbered, the following sub-section shall be inserted, namely:-

"(2) The Central Government may, for the purpose of securing and obtaining reliable information regarding the collection of census, in consultation with the Commission, give directions to any State Government or to any local authority in respect of the following matters, namely, -

(a) the preparation of a census questionnaire along with instructions on how to fill up such questionnaire;

(b) the method of collecting information and documents preparatory to the collection of census data;

(c) the method of processing of the data collected and dissemination thereof, which may be in any medium, including electronic means; and

(d) the manner in which the data collected is stored so as to ensure confidentiality, protection from illegal access and easy retrieval."

(d) in section 4, -

(1) in sub-section (1), after the words "may appoint", the words "in consultation with the Commission" shall be inserted;

(2) after sub-section (4), the following sub-section shall be inserted, namely:-

"(5). Notwithstanding anything contained in the foregoing provisions of this section, the Central Government, the State Government or the Director of Census Operations may employ any person or agency for the performance of such functions under this Act as may be specified, on such terms and conditions, as may be prescribed."

(e) in section 5, for the words "all census-officers" the words in brackets and figures "all census-officers and persons and agencies employed under sub-section (5) of section 4" shall be substituted.

(f) for section 8, the following section shall be substituted, namely, -

"8. Asking of questions and obligation to answer. (1) A Census officer may ask all such questions as by instructions issued in this behalf of all persons within the limits of the local area for which he is appointed either orally or by the supply of a copy of a census questionnaire, which shall contain all such questions;

(2) Every person of whom any question is asked or a questionnaire is supplied under sub-section (1) shall be legally bound to answer such questions either orally or by filing up the questionnaire to the best of his knowledge or belief:

Provided that the answers furnished under this sub-section may be conveyed through any medium either orally or by electronic means.

(3) Where any person has not been covered under this section for the purpose of inclusion in the census, he may apply to the census-officer designated for the purpose for inclusion of his name or family for purposes of the enumeration of census.

(4) Any person living within the local area in respect of which the census is taken may, on his own volition, obtain a copy of the census questionnaire with the details furnished by him either orally or in any medium or by electronic means within the prescribed time after the completion of the census period."

(g) in section 10, for the word "schedule" wherever it occurs, the words "census questionnaire" shall be substituted.

(h) in sub-section (1) of section 11, -

- (a) in clause (b), for the words "census return" the words "the census questionnaire" shall be substituted;
- (b) in clause (g), for the words "schedule", the words "census questionnaire" shall be substituted.

(i) in section 15, -

(i) for the words "schedule" the words "census questionnaire" shall be substituted; and

(ii) the following proviso shall be added, namely:-

"Provided that nothing in this section shall prevent the use of information collected through the census questionnaire for any statistical purpose or for the dissemination of information thereof, other than personal information to any person or institution solely for bonafide instruction or research, in such manner as may be specified by the Commission."

(j) for section 17, the following section shall be substituted, namely, -

"17. Release of census results: (1) The materials summarised or aggregated out of information collected in census questionnaires, are public and shall be available to everyone in a published form or in an electronic mode, in such manner, in such form, within such period and on payment of such fee, as may be prescribed."

(2) Subject to the provisions of this Act, any person may obtain an abstract of statistical information as can be derived from the census questionnaires, being information which is not contained in any published form or in an electronic mode referred in sub-section (1), from designated census officers on payment of such fee, as may be prescribed."

**Proposed Amendments
to the Registration of Births and Deaths Act, 1969 (18 of 1969)**

(a) In sub-section (1) of section 2, after clause (a), the following clause shall be inserted, namely, –

‘(aa) “Commission” means the National Statistical Commission constituted under the National Statistical Code, 2011.’

(b) in sub-section (1) of section 8, after the words “either orally or in writing”, the words “or by post or electronic means” shall be inserted.

(c) in section 12, after the words “under his hand”, the words “or by post or electronic means” shall be inserted.

(d) in section 13 -

(1) in sub-section (2) -

(i) the words “but within one year of its occurrence” shall be omitted;

(ii) the portion beginning with the words “and the production of an affidavit” and ending with the words “the State Government” shall be omitted.

(2) sub-section (3) shall be omitted.

(d) in section 13,

(1) for sub-section (2) the following sub-section shall be substituted, namely:-

“(2) Any birth or death of which delayed information is given to the Registrar after thirty days shall be registered only with the written permission of the Registrar and on payment of the prescribed fee.”

(2) in sub-section (3) for the words “Magistrate of the first class or a Presidency Magistrate” the words “by the Registrar” shall be substituted.

(e) in section 14, after the words “or in writing”, the words “ by post or by electronic means” shall be inserted.

(f) in section 15, for the portion beginning with the words “may subject to such rules” and ending with the words “or cancelled”, the word “shall” shall be substituted.

(g) for section 18, the following section shall be substituted, namely, -

"18 Inspection and reports of Registration offices: The Registration Offices shall be inspected and the Registers kept therein shall be examined at least once every year in such manner and by such authority as may be specified by the District Registrar, and on receipt of a report from such authority, the District Registrar shall forward the same to the concerned Chief Registrar."

(h) in section 19, in sub-section (1), after the words "any officer specified by him", the words "or to the Commission" shall be inserted.

(i) in section 22, after the words "Central Government" the words "or the Commission" shall be inserted.

(j) in section 23 –

(a) for the words, "fifty rupees" wherever they occur, the words "one thousand rupees" shall be substituted.

(b) in sub-section (4), for the words, "ten rupees", the words "two thousand rupees" shall be substituted;

(c) in sub-section (5), for the words and figures "the Code of Criminal Procedure, 1898", the words and figures "the Code of Criminal Procedure, 1973" shall be substituted.

(k) in sub-section (1) of section 24, for the words "fifty rupees", the words "one thousand rupees" shall be substituted.

(l) after section 21, the following section shall be inserted, namely, -

"21 A. Power of State Government to maintain records in electronic mode. Notwithstanding anything contained in this Act, the State Government may direct that the forms, registers, reports, returns, extracts and communications provided under this Act or the rules made thereunder may be kept in electronic form."

Draft Notification on service conditions for the post of CSI

GSR __ (E). - In exercise of the powers conferred by Article 309 of the Constitution, the Central Government hereby makes the following rules, namely:-

CHIEF STATISTICIAN OF INDIA (DUTIES, POWERS AND CONDITIONS OF SERVICE) RULES, 2012

1. Short title and commencement: (1) These rules may be called the Chief Statistician of India (Duties, Powers and Conditions of service) Rules, 2012.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions: (1) In these rules, unless the context otherwise requires –

(a) "Commission" means the National Statistical Commission constituted by the Central Government;

(b) "Chief Statistician of India" means the person appointed by the Central Government under rule 3;

(c) "National Statistical Organisation" means the organisation or Department known by that name in the Central Government prior to the commencement of these rules;

3. Appointment of Chief Statistician of India.- (1) On or after commencement of these rules, a vacancy occurring in the post of Chief Statistician of India shall be filled by the Central Government from a panel of three names, recommended by a Search Committee consisting of–

(a) Deputy Chairperson, Planning Commission

(b) Governor, Reserve Bank of India

(c) two eminent persons nominated by the Central Government from amongst distinguished statisticians or social scientists

(d) any person who has held or who is holding the office of a Chairperson of a National Statistical Commission

(2) For the purpose of recommending a panel of names under sub-rule (1), the Search Committee shall keep in mind the provisions in these rules as also the other job requirements attached to the post of Chief Statistician of India.

(3) No appointment of Chief Statistician of India shall be invalid merely by reason of absence of any member in the meetings of the Search Committee convened for recommending a panel referred in sub-rule (1) for the appointment.

4. Temporary arrangement to fill a vacancy of Chief Statistician of India.- (1) The Central Government may appoint a person to act in the office of Chief Statistician of India during any period, or during all periods, when the person holding the office is absent from duty or from India or is, for any reason, unable to perform the duties of his office or during a vacancy in that office, but a person so appointed to act during a vacancy shall not continue so to act for more than twelve months.

(2) The Central Government may determine the terms and conditions of appointment of a person appointed under sub-rule (1) and at any time terminate such appointment.

(3) Where a person is acting in the office of Chief Statistician of India in pursuance of an appointment under sub-rule (1) otherwise than during a vacancy in that office and the office becomes vacant while that person is so acting, that person may continue, to act in the office until the Central Government otherwise directs, the vacancy is filled or a period of twelve months from the date on which the vacancy occurs expires, whichever is earlier.

(4) An appointment of Chief Statistician of India made under this rule shall be deemed to be an appointment made under rule 3 for the relevant period for all other purposes.

5. Term of office.- The Chief Statistician of India shall hold office for a term of five years from the date on which he assumes such office:

Provided that where he attains the age of sixty-two years before the expiry of the said term of five years, he shall vacate such office on the date on which he attains the said age.

Explanation: For the purpose of this rule, the term of five years in respect of the Chief Statistician of India holding office immediately before the commencement of these rules, shall be computed from the date on which he had assumed office.

6. Salary.- There shall be paid to the Chief Statistician of India a salary which is equal to the salary of a Secretary to the Government of India:

Provided that if a person who, immediately before the date of assuming office as the Chief Statistician of India, was in receipt of, or, being eligible so to do, had elected to draw, a pension (other than a disability or wound pension) in respect of any previous service under the Government of India or under the

Government of a State, his salary in respect of service as Chief Statistician of India shall be reduced:

(a) by an amount of that pension; and

(b) if he had, before assuming office, received, in lieu of a portion of the pension due to him in respect of such previous service, the commuted value thereof, by the amount of that portion of the pension.

7. Other service conditions.- (1) The other service conditions of the Chief Statistician of India shall be such as may be applicable from time to time to a Secretary to the Government of India.

(2) Notwithstanding anything contained in sub-rule (1), the Central Government may, after giving the person concerned a reasonable opportunity to prove his innocence, remove a Chief Statistician of India from service on the basis of any adverse report received from the Commission on his performance.

8. Duties and powers of the Chief Statistician of India.- (1) The Chief Statistician of India shall be the head of the National Statistical Organisation and Secretary to the Government of India in the Department of Statistics.

(2) The Chief Statistician of India shall perform his duties in accordance with the directions of the Commission to -

- (i) promote statistical coordination with different Ministries of the Government of India, Departments of different States and Union territories and international statistical agencies;
- (ii) assist the Commission in evolving and implementing any statistical strategy;
- (iii) assist the Commission in deciding and reallocating statistical priorities;
- (iv) promote reliability and integrity of statistics;
- (v) monitor implementation of the directions of the Commission on production, processing and dissemination of statistics in respect of the National Statistical Organisation and other Government Departments in the Government of India and in the States and Union territories; and
- (vi) formulate and monitor implementation of any plan scheme on official statistics.

(3) The Chief Statistician of India shall submit reports to the Commission in such format and with such periodicity, as may be specified from time to time by the Commission.

(4) The Chief Statistician of India shall be associated in such meetings of the Commission, as may be specified from time to time by the Commission.

9. Delegation of Power of Chief Statistician of India.- Any power exercisable by the Chief Statistician of India under the provisions of these rules, or any other law may be exercised by such officer of his department as may be authorised by him in this behalf by general or special order.

Provided that except during the absence of the Chief Statistician of India on leave or otherwise, no officer shall be authorised to submit on behalf of the Chief Statistician of India any report which the Chief Statistician of India is required to submit to the Commission.

10. Removal of doubts.- For removal of doubts, it is hereby declared that on the commencement of these rules, the Government of India Notifications, namely, the Notification No. 85 dated 1st June 2005 published in the Gazette of India, Extraordinary Part-III -Section 4 and the Notification No. 465 dated 10th May 2006 published in the Gazette of India, Extraordinary Part-II – Section 3 – Sub-section (ii) shall, in respect of the matters covered in these rules, cease to be in force except as respects anything done or any action taken thereunder.