The National Statistical Commission have the privilege to present their Ninth 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, 2014 to March 31, 2015.
ACKNOWLEDGEMENT

The National Statistical Commission wishes to thank the various Government Ministries/Departments, the Planning Commission, the Reserve Bank of India, the Securities and Exchange Board of India, the Indian Statistical Institute, and many academicians and experts for their cooperation and the valuable inputs and suggestions made during their interactions with the Commission. It particularly appreciates the cooperation extended by the Ministry of Statistics and Programme Implementation in the effective functioning of the Commission.

The Commission also wishes to place on record the active cooperation and support, it has received from senior officials, in particular Dr. T.C. A. Anant, CSI, Shri A.K. Mehra, DG (NSSO) and Shri. Ashish Kumar, In-charge DG (CSO). The Commission expresses its deep appreciation of the role played by Shri M.V.S. Ranganadhama, Dy. Director General and of the supporting staff in the Commission’s secretariat, without whose untiring efforts the work of the Commission would not have been possible.

(RAHUL MUKHERJEE)  
Member

(SINDHU SHREE KHULLAR)  
Chief Executive Officer, NITI Aayog  
Ex-officio Member

(CHARLIE)

(DR. PRONAB SEN)  
Chairperson
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIS</td>
<td>Geographic Information System</td>
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<td>Gross Value Added Per Worker</td>
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<td>GVO</td>
<td>Gross Value of Output</td>
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<td>Health Management Information System</td>
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<td>Indian Agricultural Statistics Research Institute</td>
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<td>ICI</td>
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<td>ICS</td>
<td>Improvement of Crop Statistics</td>
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<td>International Monetary Fund</td>
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<td>IRDA</td>
<td>Insurance Regulatory and Development Authority</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>IS</td>
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<td>Indian Space Research Organisation</td>
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<td>Ministry of Statistics and Programme Implementation</td>
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<td>Micro Small and Medium Enterprises</td>
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<td>Ministry of Women and Child Development</td>
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<td>NAD</td>
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<td>NIC</td>
<td>National Industrial Classification/ National Informatics Centre</td>
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<td>National Institution for Transforming India</td>
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<td>National Remote Sensing Agency</td>
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<td>National Statistical Commission</td>
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<td>National Skill Development Agency</td>
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<td>National Statistical Systems Training Academy</td>
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<td>OBCs</td>
<td>Other Backward Classes</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>ORGI</td>
<td>Office of the Registrar General of India</td>
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<td>Private Final Consumption Expenditure</td>
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<td>Periodic Labour Force Survey</td>
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<td>Producer Price Index</td>
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<td>RIL</td>
<td>Reliance Industries Limited</td>
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<td>Report on Observance of Standards and Codes</td>
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<td>Special Economic Zone</td>
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<td>Survey for Measuring Outcomes for Children</td>
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<td>SNA</td>
<td>System of National Accounts</td>
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<td>Statistics of Prices and Cost of Living</td>
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<td>Sample Registration System</td>
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<td>Social Statistics Division</td>
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<td>Second Stage Unit</td>
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<td>Skill and Vocational Training Providers</td>
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<td>Time Use Survey</td>
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<td>University Grants Commission</td>
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<td>Universal Health Coverage</td>
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<td>United Nations Children’s Fund</td>
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<td>UT</td>
<td>Union territory</td>
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<td>WCFI&amp;ES</td>
<td>Working Class Family Income &amp; Expenditure Survey</td>
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<td>WPI</td>
<td>Wholesale Price Indices</td>
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Executive Summary

Introduction

1. The National Statistical Commission (NSC), consisting of a part-time Chairperson, four part-time Members and an ex-officio Member, has been functioning since 12th July 2006. The Chief Statistician of India (CSI) is the Secretary to the Commission.

(Paras – 1.1 to 1.5)

2. The NSC has a 13-point mandate. In addition, the functions of the Governing Council of the NSSO were entrusted to the NSC. The NSC has also been assigned oversight functions on the statistical surveys conducted by different Ministries at the Centre.

(Paras – 1.6 to 1.8)

3. The Commission held nine meetings during the financial year 2014-15. In all the nine meetings, the Commission deliberated on the issues referred to it and on issues covered under its mandate.

(Paras – 1.9 to 1.10)

4. The NSC constituted a number of committees and worked through them. At the instance of the NSC, theme papers were invited by the CSO (SSD). The theme paper received from Dr. Charu Garg on health statistics has been reviewed in this report. The annual expenditure on account of the establishment of the NSC is being met from a demand under the MOSPI voted by the Parliament.

(Paras – 1.11 to 1.15)

Review of statistical activities of the Central Statistics Office

5. The MOSPI envisaged having in place an Annual Survey of Services Sector (ASSS), similar to the Annual Survey of Industries (ASI) conducted every year to cover the manufacturing sector. The Sixth Economic Census is likely to provide the necessary frame for the survey. Before conducting an annual survey on such a large scale, a pilot survey was taken up. Looking at the requirement of covering relatively large number units in the services sector on an annual basis, the NSC recommended inter alia that a Standing Committee on Services Sector may be constituted by the MOSPI to work out the methodological details and oversee the conduct of the survey.

(Paras – 2.2 to 2.10)

6. In order to meet the short term requirement for quick estimates of quarterly GDP etc., it has become necessary to compile service sector’s production index covering the important service activities on at least quarterly basis. The CSO (ESD) sought inter alia the approval of the NSC on the methodology of compilation of the index for the sectors of Railways, Airports and Postal Services. The methodology evolved, keeping in view the
constraints in data flow in these three services, has been approved in principle by the NSC. The NSC also made five recommendations to improve the data flow.

(Paras – 2.11 to 2.18)

7. The new series of national accounts, with revision of the base year from 2004-05 to 2011-12, has been released on January 31, 2015. The new series of national accounts incorporated the new series of CPIs, released in January, 2015. However, this was not possible for the IIP and WPI. Since the national accounts statistics form the basis for finalizing the weighing diagram of the new series in the case of IIP and WPI, the release of the new series of these indices would necessarily follow the release of new series of national accounts. Hence, the NSC recommended *inter alia* that the CSO (NAD) would prepare base year (for revised base year) estimates and share them with the CSO (ESD) and the DIPP by January 2015, and within one year thereafter, the CSO (ESD) and the DIPP would furnish to the CSO (NAD) revised series in respect of the IIP and the WPI.

(Paras – 2.19 to 2.23)

8. A Working Group, constituted to develop methodology for compilation of the all India Index of Industrial Production (IIP), recommended *inter alia* for revision of base year for IIP to 2011-12. The NSC, after considering the report of the Working Group, made eleven recommendations, including working out further details of implementation based on the recommendations of the Working Group and furnishing a note to the NSC for its formal acceptance of the report.

(Paras – 2.24 to 2.26)

9. An Expert Group, under the chairmanship of Dr. Dilip Nachane, recommended disseminating seasonally adjusted series, relating to quarterly GDP data, CPI, IIP, and WPI, by the respective agencies. The NSC recommended *inter alia* that the CSO (NAD) may, periodically, publish technical papers releasing seasonally adjusted indices on the lines recommended by the Nachane Committee, in respect of GDP (overall and sectoral) and the indicators used in compiling it, along with guidance on seasonal stability.

(Paras – 2.27 to 2.30)

10. A Joint meeting of the NSC and the Advisory Committee on National Accounts Statistics (ACNAS) was held on 19th January 2015 to review the conceptual changes proposed for the new series of national accounts with base year 2011-12. Twenty five (25) recommendations were made in the joint meeting, covering different aspects of the revision.

(Paras – 2.31 to 2.32)

11. The NSC recommended that IMF may be approached to send a Mission, for evaluation under the Report on Observance of Standards and Codes (ROSC), to identify the weaknesses in compilation of national accounts
in India. In response, the IMF has queried whether the price indices would also need to be covered under the Data ROSC. The NSC recommended that the price indices (WPI and CPI) may also be got covered under Data ROSC.  

(Paras – 2.33 to 2.36)

12. A Working Group, constituted under the chairmanship of Dr. T.S. Papola to review the categorization of workers, submitted its report on 30th May 2013. The recommendations of the Working Group have been implemented by the Labour Bureau in their wage data collection surveys since October 2013. The NSC recommended *inter alia* that the revision of categorization shall have concordance with the National Occupational Classification and the coding pattern followed for the non-agricultural occupations in the Employment-Unemployment Surveys of the NSSO.  

(Paras – 2.37 to 2.41)

13. The enhanced scope, of measuring work, employment and unemployment through a set of existing and new indicators recommended in the 19th International Conference of Labour Statisticians, was noted. The NSC recommended *inter alia* that holding a Workshop should be taken up on priority to firm up the changes to be brought in the methodology.  

(Paras – 2.42 to 2.44)

14. A concept paper was submitted to the NSC proposing a Survey for Measuring Outcomes for Children (SMOC) to generate longitudinal data by tracking the growth of a cohort of children. It was also noted that the Ministry of Health & Family Welfare have recently introduced a Mother-child tracking system, which may provide a database. The NSC recommended *inter alia* that the SMOC in its current form may be terminated forthwith and that the NSSTA jointly with the CSO (SSD) may formulate a new scheme, aimed at a cohort-based study of the manifold impact of various child-related Government programmes.  

(Paras – 2.45 to 2.51)

15. A Working Group, constituted to formulate survey methodology for Time Use Surveys, had six meetings, but did not submit a formal report. The CSO (SSD) compiled and furnished inputs on the basis of deliberations made in the meetings. The thought process that has to go into formulating an approach for data collection is not clearly known in the absence of the report of the Group. The NSC recommended *inter alia* that theCSI may constitute a small Group of Officers to quickly work on formulating survey instruments to conduct TUS through outsourcing under FOD supervision.  

(Paras – 2.52 to 2.58)

**Review of statistical activities of the National Sample Survey Office**

16. The NSC has been exercising the functions of the erstwhile Governing Council of the NSSO. The functions include deciding the subjects for coverage in each NSS round, formulating methodology, and overseeing the processing
of data and the release of survey reports/ unit level data by the NSSO. During the period under report, the NSSO released eleven reports based on the data of the NSS 68th, 69th and 70th NSS rounds. The NSSO brought out a ‘Manual on Pooling of Central and State Sample Data’ for providing guidance to the concerned officers and staff involved in such work at the Centre and in the States.

(Paras – 3.1 to 3.4)

17. The 71st NSS Round (Survey period: January 2014 – June 2014) was devoted to the subjects of Social Consumption comprising ‘Health and Morbidity’ and ‘Education’. The Tabulation Plan for the 71st NSS Round formulated by the Working Group has been approved by the NSC. The NSC further recommended inter alia that key indicators and the main report are to be handled for release in the NSSO (SDRD) and that other subject-specific reports may be drafted and released by the concerned participating Ministries, who should take ownership of the reports.

(Paras – 3.5 to 3.7)

18. The 72nd NSS Round (Survey period: July 2014 - June 2015) is devoted to the subjects of (i) Domestic Tourism Expenditure and (ii) Household Expenditure on Services and Durable Goods. This survey also envisages evaluation of methodology using shorter schedules in the NSS consumer expenditure survey. The survey instruments for the 72nd NSS Round formulated by the Working Group have been approved by the NSC, subject to certain conditions. The NSC endorsed the suggestion to re-analyze 68th NSS round data to evolve strategies for combining short schedules.

(Paras – 3.8 to 3.10)

19. The 73rd round of NSS (Survey period: July 2015 – June 2016) would be devoted to surveying unincorporated non-agricultural enterprises in manufacturing, trade and other services (excluding construction) as was the case in the 67th round to get estimates of various economic and operational characteristics at national and State level. A Working Group has been constituted under the Chairmanship of Prof. K. L. Krishna for formulating methodology and overseeing the entire gamut of activities of the round.

(Paras – 3.11 to 3.16)

20. The tenure of the Working Group on Drug Abuse Survey, constituted under the chairmanship of the DG, NSSO, was extended for six months with effect from 22-4-2014.

(Para – 3.17)

21. The NSSO conducted a pilot Periodic Labour Force Survey (PLFS) in the urban areas of three States. The experiences of the pilot were discussed in a Workshop held in December, 2013 to seek views/ suggestions from experts/stakeholders. Based on the consensus emerging out of the Workshop, the NSSO proposed to undertake a full-fledged PLFS across the country to measure quarterly changes of various statistical indicators of the labour
market as well as to generate the annual estimates of different labour force indicators both in rural and urban areas. The proposal of the NSSO has been approved in-principle by the NSC. The NSC desired *inter alia* that the MOSPI may constitute a Standing Committee on Employment Statistics to oversee the proposed PLFS.

(Paras – 3.18 to 3.24)

22. The Urban Frame Survey (UFS) provides a frame in the form of listing of UFS blocks with some ancillary information and notional maps. The officers of the NSSO made a presentation before the NSC, on the report of a committee on UFS headed by the ADG, NSSO (DPD) and on the proposal of the NIC on digitizing the UFS maps in GIS framework. The NSC supported the proposal of the NIC and made ten recommendations to improve the consistency of the UFS frame with the census EB frame and to disseminate the relevant details in conformity with the Government Policies on dissemination.

(Paras – 3.25 to 3.29)

23. The Agricultural Statistics (AS) Wing of the NSSO (FOD) is responsible for all aspects of the Improvement of Crop Statistics (ICS) scheme. The NSC observed that the continued allocation of a large human resource component to the ICS programme does not appear to be justified given the minimal use of its reports and data. In view of the numerous other data gaps in agricultural statistics, the NSC recommended *inter alia* that a suitable proposal for more effective use of the human resource may be developed, and this matter may be taken up with the Ministry of Agriculture at its highest policy level.

(Paras – 3.30 to 3.35)

24. The NSSO took up data entry of filled-in schedules of the 68th NSS round on a pilot basis in some of its field offices and continued the experiment for the 69th round. It was felt that flow of filled-in paper schedules from FOD offices to the DPCs of the NSSO need to be dispensed with eventually and it has to be replaced by flow of digitized data. The matter would be further considered by the NSC.

(Paras – 3.36 to 3.37)

25. The representatives of the World Bank made a presentation in the NSSO (FOD) Hqrs. on the Computer Assisted Personal Interviewing (CAPI) open software developed by them. The NSC recommended that the NSSO needs to internally evaluate the software in more detail for its suitability for the NSSO surveys and for this purpose they may, if necessary, initiate a dialogue with the World Bank.

(Paras – 3.38 to 3.41)

26. A system of deciding well in advance the next ten year cycle of NSS has been in vogue. On this, the NSC thought of eliciting the opinion of experts and users within and outside the Government. For this purpose, the NSSO
conducted two Brain Storming Sessions. The NSC considered the inputs provided by the NSSO as well as the views that emanated during the two Brain Storming Sessions and noted the points of relevance in the overall decision making. The NSC would review the matter again.

(Paras – 3.42 to 3.48)

Review of statistical activities of other Central Ministries

27. The Department of Industrial Policy and Promotion (DIPP) has been releasing a monthly Index of Core Industries (ICI) with base year 2004-05, covering output of eight core industries. The ICI released for March, 2014 showed a 2.5% rise from a year ago. But, the DIPP simultaneously revised the growth for March, 2013 to 7% from 3.2%, changing the base for calculation of growth for the year 2014. There was adverse criticism in the media on the revision. As the revisions raised doubts, the NSC reviewed the methodology and the protocols, followed in compiling the ICI. The NSC pointed out that releasing growth rates on the basis of provisional data of the current month and revised/ finalised data of the same month of the last year does not seem to be a good practice and made four recommendations to streamline the system.

(Paras – 4.2 to 4.9)

28. The CSO (ESD) undertook a study to understand the impact of revisions in data for ICI on IIP, in respect of two items of the ICI, namely (i) Petroleum Refinery products and (ii) Steel, which mainly contributed to the revision in ICI data, and submitted a report to the NSC. The study report indicated major reasons for the high order of difference in the revised growth rates vis-à-vis original growth rates. The NSC also reviewed data flow for the ICI and the IIP from the Ministry of Steel and the Ministry of Petroleum and Natural Gas and the problems thereof. On the basis of the study and the review, the NSC made seven recommendations to improve data coverage and strengthen data collection and flow systems.

(Paras – 4.10 to 4.18)

29. The Office of the Economic Adviser in the Department of Industrial Policy and Promotion (DIPP) compiles Wholesale Price Indices (WPI). A Working Group was constituted by the DIPP, to look into methodological aspects on the revision of base year for the WPI. The new base year for WPI will be 2011-12. The NSC accepted the report of the Working Group and made eight recommendations to enhance the quality and utility of the WPI.

(Paras – 4.19 to 4.25)

30. Statistics on mining sector and related activities encompass a number of Departments, at the Centre and in the States. Intermediate consumption between mining, construction, manufacturing and trading activities seem to have not been properly linked in the methodology followed in national accounts. In view of several problems in the sector, the NSC made three recommendations, which include bringing out a manual by the CSO, laying
down conceptual and methodological framework and statistical products that need to be brought out by different Ministries at the Centre and the States.

(Paras – 4.26 to 4.32)

31. The NSC approved the survey instruments proposed by the Labour Bureau for conducting a Working Class Family Income & Expenditure Survey (WCFI&ES), as a part of the revision exercise of the CPI-IW with new base year 2015.

(Paras – 4.33 to 4.37)

32. The National Skill Development Agency (NSDA) requested that a survey of skill and vocational training providers (SVTPs) be included as part of the regular surveys carried out by the NSSO. As not all the information desired by the NSDA can be collected through sample survey methods, the NSC made six recommendations detailing a multipronged approach to be followed.

(Paras – 4.38 to 4.44)

33. Dr. Charu Garg contributed a theme paper on health statistics. In her paper, Dr. Charu Garg suggested inter alia 39 core indicators, data sources and related quality issues, in the context of Universal Health Coverage (UHC). The CSO (SSD), in consultation with other concerned Ministries, submitted a discussion paper. Taking into consideration these inputs, the NSC made six recommendations to enhance the data coverage, content and quality, in health statistics.

(Paras – 4.45 to 4.50)
Chapter-1

Introduction

Setting up of the National Statistical Commission (NSC)

1.1 A Commission set up by the Government in January 2000 under the Chairmanship of Dr. C. Rangarajan reviewed the statistical system in the country and submitted its report to the Government in August 2001. One of the key recommendations of the Rangarajan 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 National Statistical Commission (NSC); vide Notification No. 85 dated 1st June 2005 published in the Gazette of India, Extraordinary, Part-III-Section-4. The Commission consists of a part-time Chairperson, four part-time Members and Secretary, Planning Commission as the 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). The service conditions of the part-time Chairperson/ Members of the NSC and of the CSI have been laid down in the Government of India Notification No. 465 dated 10th May 2006 published in the Gazette of India, Extraordinary, Part-II-Section-3-Sub-Section (ii). In order to support the CSI in providing assistance to the Commission in the discharge of its functions, a small secretariat comprising a Deputy Director General and a Director with other support staff has been created.

1.3 During the period under report, the Planning Commission was replaced by the NITI Aayog (National Institution for Transforming India). On 15-1-2015, the Government declared the NITI Aayog as successor in interest of the Planning Commission. In view of this, in place of the Secretary, Planning Commission, the Chief Executive Officer of the NITI Aayog has been made the ex-officio Member of the National Statistical Commission with effect from 24th March, 2015. The aforementioned Notification dated 1st June 2005 has been amended accordingly.

Composition of the Commission

1.4 Constituted from time to time, in accordance with the aforementioned Notifications, the NSC has been functioning since 12th July 2006. The part-time Chairperson/ Members of the NSC have a maximum tenure of three years. The names of the persons holding part-time positions in the NSC during the period under report are given below:
Dr. Pronab Sen – Chairperson
Prof. Biswanath Goldar – Member up to 23-11-2014
Prof. S. Mahendra Dev – Member
Prof. Rahul Mukherjee – Member
Shri Ramesh Kolli – Member

1.5 Shri Ramesh Kolli, Member has completed his tenure on 2-6-2015, before submission of this report. Dr. T.C.A. Anant was the CSI and Secretary to the Commission during the entire period under report.

Mandate of the Commission

1.6 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.

1.7 In addition to the aforesaid mandate, all functions of the Governing Council of the National Sample Survey Office (NSSO) were entrusted to the NSC with effect from 30th August 2006, in accordance with a decision of the Union Cabinet in its meeting dated 10th August 2006. The functions mainly relate to overseeing the conduct of National Sample Surveys (NSS) on various socio-economic subjects through the NSSO and the State DESs in the form of rounds, each round normally being of one year duration coinciding with the agricultural year. From the 68th NSS Round onwards, the NSC has constituted Working Groups on subjects decided by it, in a manner that they will be able to assist it in overseeing the entire gamut of survey activities for each round.

1.8 The NSC has also been assigned certain oversight functions in respect of the statistical surveys conducted by different Ministries at the Centre. For this purpose, the MOSPI notified Guidelines, vide Notification No. 232 dated 5th December 2011 published in the Gazette of India Extraordinary Part-III Section-4, requiring concerned Ministries at the Centre to obtain concurrence of the NSC for conducting any statistical survey. Apart from concurrence, the Guidelines provide for recommending of names of experts by the NSC for constituting Committees to formulate methodology etc., for conducting various surveys with the NSC's oversight and for finalizing draft report of surveys’ results in consultation with the NSC.

**Working of the Commission**

1.9 The Commission held nine meetings during the financial year 2014-15. The dates of the meetings are indicated below.

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<th>Meeting No./ Subject</th>
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<td>Joint meeting of the NSC and the Advisory Committee on National Accounts Statistics</td>
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1.10 In all the nine meetings, the Commission deliberated on the issues referred to it and on issues covered under its mandate. The Commission also had consultations and detailed discussions, with the concerned subject matter specialists, on improvements to the statistical system in the respective fields. 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.

1.11 The NSC is mandated to constitute professional committees to assist it on various technical issues. Accordingly, the NSC constituted a number of committees and worked through them. It was reported that a Committee on Fiscal statistics under the Chairmanship of Dr. Saumitra Chaudhuri, the then Member, Planning Commission has been constituted, on the advice of the NSC, by the MOSPI on 17th April, 2014. The Committee has been functioning. The NSC advised the MOSPI that, although the Planning Commission has been dissolved, this committee may continue to function under the Chairmanship of Dr. Saumitra Chaudhuri and that Dr. Chaudhuri may be treated as a non-official member.

1.12 At the instance of the NSC, theme papers were invited by the CSO (SSD) in January, 2013 from five experts, namely, Dr. Madhura Swaminathan on Gender Statistics, Dr. J.B.G. Tilak on Education Statistics, Dr. Charu Garg on Health Statistics, Dr. Amir Ullah Khan on Crime and Justice Statistics and Dr. Ladu Singh on Demography. The SSD has received papers from Dr. Madhura Swaminathan, Dr. J.B. G. Tilak and Dr. Charu Garg. It was reported by the CSO (SSD) that Dr. Amir Ullah Khan and Dr. Ladu Singh have not sent their papers, despite repeated reminders. The SSD suggested that the proposal to invite theme papers from these two experts may be dropped. This has been agreed to. The theme paper received from Dr. Charu Garg has been reviewed in chapter-4 of this report. Review of the remaining two theme papers would be taken up later.

About this report

1.13 The details of review of statistical activities of the Central Statistics Office (CSO) and of the National Sample Survey Office (NSSO) and the recommendations thereof, of the NSC, are given in Chapters 2 and 3 respectively. Details of review of statistical activities of other Central Ministries and the recommendations of the NSC thereof are given in Chapter-4.

Expenditure of the Commission

1.14 The annual expenditure, on account of the establishment of the National Statistical Commission including salary and wages, domestic travel, office expenses, 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.

1.15 In the budget estimates for the year 2014-15, a provision of Rs. 153.10 lakhs was made for the NSC under the non-plan budget of the MOSPI. It was reported that an expenditure of Rs. 145.13 lakhs was incurred during the year 2014-15.
Chapter-2

Review of statistical activities of the Central Statistics Office

2.1 The NSC is mandated interalia to evolve standard statistical concepts, definitions, classifications and methodologies in different areas in statistics, to monitor and review the functioning of the statistical system in the light of the laid down policies, standards and methodologies and to recommend measures for enhanced performance. In this chapter, the NSC reviewed some of the statistical activities of the Central Statistics Office (CSO), which is under the Statistics Wing of the MOSPI, and gave its recommendations.

Annual Survey of Services Sector

2.2 Though the services sector in India has the largest share in the Gross Domestic Product of the country, there is no comprehensive database to monitor the growth and other related aspects of this sector. In view of this, the MOSPI envisaged having in place an Annual Survey of Services Sector (ASSS), similar to the Annual Survey of Industries (ASI) conducted every year to cover the manufacturing sector. To start with, the survey would essentially use the list of establishments with number of workers exceeding certain threshold. The Sixth Economic Census (EC) is likely to provide the necessary frame for the survey. However, before conducting an annual survey on such a large scale, a pilot survey was taken up under the guidance of a Working Group headed by the DG, CSO.

2.3 For the pilot survey, the list of enterprises whose addresses were available in V EC - 2005 frame was used. The pilot survey was conducted during December 2012 – August 2013 with financial year 2011-12 as the reference period. However, for the units not maintaining accounts, the reference period was the last 30 days/ working month.

2.4 The ADG, CSO (ESD) made a presentation, before the NSC in its 67th meeting, on the findings of the pilot survey on services sector conducted in 6 States and 4 Metros on the basis of a sample drawn from the V Economic Census data and on the proposal to conduct an all India survey in about 50,000 units on the basis of VI Economic Census data. The data collection in the pilot survey was carried out by the NSSO and the concerned State DESs. The survey covered the activities, namely, construction, trade, hotels & restaurants, transport, storage & communication, real estate, renting & business services, health & social work, education, and community, social & personal services.

2.5 It was noted inter alia the pilot that about 33 % of the sample units had to be substituted and 16 % of the units were casualties. The pilot found that about 72 % of the sample units maintained accounts. The NSC felt that
the analysis of the data collected from the pilot did not throw light on some of the aspects, such as distributional characteristics, casualties among large units, quality assessment (with reference to different activities and different agencies engaged in data collection), nature of problems in data collection, imperfections noticed in the schedule design, and non-sampling errors such as wrong identification of services (such as storage) due to inadequate training.

2.6 In view of the above, the NSC, in its 67th meeting, made the following suggestions:

(1) The CSO (ESD) may look into the aforementioned aspects more thoroughly and place the findings before the NSC. The Division may engage a consultant suggested by the NSC for undertaking further analysis of the data collected through the pilot to throw more light on the diagnostics.

(2) The registration data/service tax returns data of the CBEC and similar data available from the EPFO may be considered as additional sources along with the data of the VI Economic Census/Business Register to prepare a sampling frame (list frame) along with appropriate ancillary information, for use in the preparation of sampling design for the services sector.

2.7 Subsequently, the CSO (ESD) submitted two papers, for consideration by the NSC in its 70th meeting, one relating to data quality aspect of the pilot survey on services sector prepared on the basis of unit-level data and the other on issues relating to the sampling frame, sample size and sample design for the ASSS. The officers of the CSO (NAD) and the CSO (ESD) made presentations, before the NSC in this meeting, on the analysis made by them on the pilot survey data. The ESD also presented a plan of action for launching an ASSS.

2.8 It was noted that the MCA-21 database of the Ministry of Corporate Affairs (MCA) would be available and data of corporate units engaged in services could be culled out from the database. From the estimated GVA and its distribution over different industries furnished on the basis of data of the 63rd NSS round, it was found that the share of corporate sector was about 53.7%. The share of non-corporate sector was analysed further by employment size class. It was noticed that the percentage shares in GVA for the classes 1-9, 10-19, 20-49, 50-99 and 100+ were 73.6, 12.6, 8.1, 2.3 and 3.4 respectively. It was also noted that the 73rd NSS Round would cover *inter alia* the services sector.

Recommendations of the Commission

2.9 Looking at the requirement of covering relatively large number units in the services sector on an annual basis, the NSC made the following recommendations:
(1) The ASSS may be launched, as early as possible.
(2) A Standing Committee on Services Sector may be constituted by the MOSPI to work out methodological details and oversee the conduct of the survey.
(3) Additional resources may be provided at an appropriate time to the CSO (IS Wing) to handle the data preparation and report writing work on services sector. Alternatively, the AS Wing of FOD Hqrs, Faridabad may be assigned this work, if they have spare capacity.
(4) Data of the VI Economic Census and data from other sources would be used to identify large output units, using some workable criteria, such as employment size (say, 50+), turn over etc.
(5) Dichotomizing the list of large output units into two categories, namely, corporate and non-corporate, would be done.
(6) The coverage under the proposed ASSS should be done in such a way that units in the list frame or Business Register are covered in the Annual survey and the residual is covered periodically in NSS. Whenever, the residual is covered, estimates for the total services sector must be made available, preferably at State level. All the existing data sources may be used to work out these details in a scientific way.

2.10 The above recommendations were forwarded to the CSO (ESD); vide communication no. 4(70)/2014-NSC dated 15th September, 2014.

Index of Service Production

2.11 Over the last several decades, there has been a significant growth in the services sector in the economy and an Index of Industrial Production (IIP) alone is no longer adequate to indicate the variations in total economic output. IIP needs to be accompanied by similar information for the services sector. In order to meet the short term requirement for quick estimates of quarterly GDP etc., it has become necessary to compile service sector’s production index covering the important service activities on at least quarterly basis. The CSO (ESD) submitted, to the NSC in its 68th meeting, a status note on Index of Service Production (ISP).

2.12 The Index of Services Production (ISP) is an indicator of Gross Value of Output (GVO) by the services sector i.e., a measure of change in the volume of output of the services over a period of time and is calculated as weighted average of the real output of the service producing industries, where the weights are based on their shares in the value added of the services sector. It was reported that the Committee of Secretaries, in its meeting held on 20th May 2003, decided in favour of compiling ISP.

2.13 Service Sector embraces all economic activities other than those covered under: (i) Agricultural production, (ii) Mining & quarrying, (iii) Manufacturing, and (iv) Construction activities. It covers trade, hotels and
restaurants, transport, storage communication, real estate & ownership of dwellings, banking and public administration, business services and other services, which are by themselves so heterogeneous that they require separate methods of estimation of GVO for each of their sub-sectors. To make the ISP consistent with other indices, it was decided to take 2004-05 as a base year.

2.14 Under the guidance of a Technical Advisory Committee, constituted in July 2004, the CSO (ESD) has undertaken the task of compiling ISP and has completed index compilation for Railways, Air transport and Postal services. For all the indices, the services being offered by a particular sector form part of the item basket of ISP.

2.15 Ideally, the GVA, measured as the difference between measures of gross output and value of intermediate material input, of the respective industry-groups should be used in the weighting diagram for the ISP. But, due to non-availability of value added figures for various services and also for their sub-classes separately, the data on revenue earned/ expenditure incurred, which are readily available according to different types of services, have been used as weights.

2.16 The officers of the CSO (ESD) made a presentation, before the NSC in its 68th meeting, on the genesis and the progress so far made on the compilation of the index of service production. The ESD sought inter alia the approval of the NSC on the methodology of compilation of the index for the sectors of Railways, Airports and Postal Services. It was reported that the CSO (ESD) was responsible for the index of service production and the DIPP is mandated to produce service price index. The NSC pointed out that the two activities could not be carried out independently, since for certain kinds of services, it is feasible to generate a production index and compute the price index as derivative, while for other services the opposite may be true.

Recommendations of the Commission

2.17 On the basis of the status note and the presentations made in its 68th meeting, the NSC made the following recommendations:

(1) The methodology evolved, keeping in view the constraints in data flow in the three services, namely, Railways, Airports and Postal Services, have been approved in principle.

(2) Efforts may be made to fill data gaps to bring in more methodological improvements in line with the international standards (say, OECD manual).

(3) If there are problems in data collection under the departmental regulations, it may be carried out by the concerned Ministries, under the provisions of the Collection of Statistics Act, 2008, to improve data availability.
(4) With regard to compilation of indices on postal services, it should be based on not only the data of the Department of Posts but also of the private courier services. Problems were reported in the meeting even in respect of data flow within the Department of Posts. The NSC desired that in such cases, data flow may be established in respect of a few field offices selected on a sample basis. The Department may work out details in consultation with the CSO (ESD).

(5) It would be appropriate for the CSO to compile and release sectoral indices rather than the indices for some components in each sector. For example, the CSO may compile and release indices for transport sector, while the indices for Railways and Airways may be compiled and released by the concerned Ministries. On the same analogy, the RBI may compile and release indices on banking segment, the IRDA on insurance segment, the Department of Health and Family Welfare on the health segment and the Ministry of Human Resource Development on the education segment. These Departments may formulate methodologies, in consultation with the CSO (ESD).

(6) An integrated approach has to be followed in evolving the methodologies to be followed for the Service Production Index and the Service Price Index. Such integration may not be problematic, since the Expert Groups set up by the CSO and the DIPP for the two indices were both chaired by the same person. Further, the NSC also desired that the indices developed should be consistent with the National Accounts volume estimates. The CSO (ESD), in coordination with the CSO (NAD) and the DIPP, may make efforts to achieve these objectives.

2.18 The above recommendations were forwarded to the CSO (ESD); vide communication no. 4(68)/2014-NSC dated 18th July, 2014.

Timelines for revision of base year of IIP and WPI in the context of revision of national accounts

2.19 The new series of national accounts, with revision of the base year from 2004-05 to 2011-12, was scheduled to be released on January 31, 2015. Since compilation of national accounts involves incorporation of different indices like the IIP, the CPI and the WPI, any change in these indices will result in the revision of national accounts. New series of Consumer Price Index (Rural, Urban and Combined), IIP and WPI are scheduled for release in 2015. The new series of national accounts shall be duly incorporating the new series of CPIs, scheduled to be released on or before January 12, 2015. However, this will not be possible for the IIP and WPI. Since the national accounts statistics form the basis for finalizing the weighing diagram of the new series in the case of IIP and WPI, the release of the new series of these indices will necessarily follow the release of new series of national accounts.

2.20 In view of the revision in the national accounts estimates subsequent to the base year change (to 2011-12), the CSO proposed that it would
benecessary that the following points of action are taken up by the two agencies, the ESD and the DIPP:

   a) The calendar of revision should be chalked out so that the new series are released by July 2015.
   b) The new series should incorporate the revised base estimates of national accounts, which will be available by the end of January 2014, for compiling their weighting diagram.
   c) Indices should be continued to be released in the old base (2004-05) till December 2015.

2.21 The issues stated above were considered by the NSC in its 70th meeting. Officers of the CSO (ESD) and the DIPP, who are involved in compilation of the IIP and the WPI, were also present in the meeting to discuss the follow-up action to be taken up by them.

Recommendations of the Commission

2.22 The following action points, recommended by the NSC, were agreed upon in the meeting.

(1) The CSO (NAD) will prepare base year (for revised base year) estimates and share them with the CSO (ESD) and the DIPP by January 2015.
(2) Within one year thereafter, the CSO (ESD) and the DIPP would furnish to the CSO (NAD) revised series in respect of the IIP and the WPI.
(3) The CSO (ESD) and the DIPP will continue to release their respective indices with old base year (along with new series) up to May 2016.
(4) The CSO (NAD) may provide product-wise weights from the supply-use tables to the CSO (ESD) and the DIPP, as early as possible, on the basis of 2011-12 data (which is already available), so that the weights could be used to prepare weighting diagrams for the IIP and the WPI. It would be better to use product-wise weights rather than the present practice of using industry-wise weights in the IIP and the WPI.
(5) The CSO (ESD) may share the item basket prepared by them for the new series with the DIPP and assist the DIPP in evolving an item basket for the new series of WPI.
(6) The DIPP and the CSO (ESD) may formulate action plans to meet the time lines for releasing new series of their respective indices.
(7) The DIPP may, in consultation with the MOSPI, evolve strategies to have data for the new base year for WPI collected in a time bound manner through the NSSO (FOD).
(8) The MOSPI and the DIPP may consider integrating data collection mechanisms for the new IIP and WPI, particularly in case of common set of informants.
2.23 The above recommendations were forwarded to the CSO (NAD), the CSO (ESD), and the DIPP; vide communication no. 4(70)/2014-NSC dated 18th July, 2014.

Revision of base year for IIP

2.24 A Working Group was constituted under the chairmanship of Dr. Saumitra Chaudhuri, former Member, Planning Commission to develop methodology for compilation of the all India Index of Industrial Production (IIP) with a new base year. The Working Group, in its report submitted in May 2014, recommended *inter alia* for revision of base year for IIP to 2011-12. The Officers of the CSO (ESD) made a presentation, before the NSC in its 71st meeting, on the report of the Working Group.

Recommendations of the Commission

2.25 The NSC, after considering the report of the Working Group, made the following recommendations:

1. The CSO (ESD) may work out further details of implementation based on the recommendations of the Working Group and furnish a note to the NSC for its formal acceptance of the report.

2. The CSO has a practice of placing the methodology on revision of IIP in the public domain. It is suggested that this should include a note on the extent to which the international recommendations on IIP have been implemented, deviations, if any, and the reasons thereof.

3. In the international recommendations on IIP, the scope of the industrial sector has been defined as covering mining and quarrying; manufacturing; electricity, gas, steam and air-conditioning supply; and water supply; sewerage, waste management and remediation activities. Changes in coverage in the proposed IIP revision exercise may be brought out very clearly for providing guidance to users.

4. Recycling and, in particular, ship breaking activity seems to be not adequately covered in the IIP. The officers of the JPC informed that ship breaking activity has a substantial contribution and relevant data are collected by them regularly. This aspect may be studied in detail and if the contribution of these activities is substantial, they may be covered in the IIP.

5. In its 52nd meeting held in July 2012, the NSC desired that the possibility of providing monthly weights for seasonal items (for example, sugar) in the IIP may be explored and that this issue may be flagged before the Working Group on IIP. While this issue was considered by the Working Group, in the final report, a monthly weighting scheme for seasonal items has not been recommended. However, the NSC desired that this methodology may be examined by the CSO (ESD) with the existing data and they may submit a note for consideration of the NSC for its being followed in the revised IIP, in

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respect of important seasonal items and, in particular, at least in
respect of sugar.

(6) Different methods are available for tackling the issue of non-response. Method suitable to one source agency may not be suitable to other agencies. Procedure to be followed by each source agency in case of non-response/missing observations may be laid down by the CSO (ESD) in consultation with the concerned source agency.

(7) In cases, where there are only one or two factories producing an item (included in the coverage of IIP) as per ASI frame, other sources such as the MCA frame, MSME frame and Economic Census frame may be considered to supplement the list.

(8) Data collection for IIP and WPI may be integrated in respect of common set of informants.

(9) A detailed proposal to strengthen the source agencies and the CSO (ESD) in terms of manpower etc., in order to ensure timeliness and quality in the proposed revision of IIP may be worked out by the CSO (ESD) in consultation with the source agencies and presented before the NSC.

(10) On the issue of contribution of new units entering into industry, particularly where such units have substantial output, a detailed note, keeping in view international standards, may be submitted by the CSO (ESD) to the NSC.

(11) With regard to accessing production data available in CBEC monthly returns, the CSO (ESD) may separately furnish a note, to the NSC, on the statistics that may be generated from the returns.

2.26 The above recommendations were forwarded to the CSO (ESD); vide communication no. 4(71)/2014-NSC dated 27th October, 2014.

Releasing seasonally adjusted series for short term economic data

2.27 The MOSPI constituted an Expert Group on 9th October, 2012, under the chairmanship of Dr. Dilip Nachane, to inter alia develop suitable methodology for deriving seasonally adjusted data series. The Nachane Committee submitted its report on 19th May 2014. Taking cognizance of the issue of seasonal adjustment and the best practices available in some of the advanced countries, the Committee recommended disseminating seasonally adjusted series simultaneously, relating to quarterly GDP data, CPI, IIP, and WPI, by the respective agencies responsible for compilation and dissemination of these data.

2.28 The report of the Nachane Committee was presented before the NSC in its 68th meeting. The Committee favoured release of seasonally adjusted (using X-11 or X-12 model) and unadjusted series simultaneously. It was noted that production of seasonally adjusted series require at least five years data and that whenever the series is derived for a month/quarter, as the case may be, the seasonally adjusted figures of the previous month/quarter will undergo further adjustment. This may cause inconvenience to users. The
NSC also observed that there were a number of non-government organizations, which were reporting seasonally adjusted series without necessarily subjecting them to standard statistical tests of seasonal stability.

Recommendations of the Commission

2.29 The NSC took note of the report of the Nachane Committee and the attendant problems in producing seasonally adjusted indices and made the following recommendations:

(1) The existing practice of releasing unadjusted indices/series should continue.
(2) The CSO should take on the task of testing unadjusted series produced by government organizations for seasonal stability and place the findings in the public domain.
(3) The CSO (NAD) may, periodically, publish technical papers releasing seasonally adjusted indices on the lines recommended by the Nachane Committee, in respect of GDP (overall and sectoral) and the indicators used in compiling it, along with guidance on seasonal stability.

2.30 The above recommendations were forwarded to the CSO (NAD); vide communication no. 4(68)/2014-NSC dated 18th July, 2014.

National Accounts Statistics

2.31 A Joint meeting of the NSC and the Advisory Committee on National Accounts Statistics (ACNAS) was held, on 19th January 2015, to review the conceptual changes proposed for the new series of national accounts with base year 2011-12.

Recommendations of the Commission

2.32 The following recommendations were made in the joint meeting:

Presentation of GVA at basic prices

(1) Estimates at factor cost will be provided at the level of disaggregation possible in the annexure to the Press Note, released from time to time, by the CSO (NAD).
(2) An annexure giving the glossary, acronyms and formulae may also be given in the Press Note.
(4) Growth in GDP at market prices would hereafter be referred to as ‘GDP growth rate’.
Changes in General Government

(5) Treatment, as in the current series, would be continued in respect of the component of capital account head 4076 of defence.

(6) The classification of indirect taxes/ subsidies as production/ product taxes/ subsidies, on the basis of their description was noted. Since the estimates of GVA at basic prices account for the production taxes and subsidies, a list of all the production taxes/ subsidies, preferably by budget head, should also be considered for inclusion in brochure and other related documents for bringing more clarity in the concept.

Changes in Construction, Capital Formation, Capital Stock, CFC and Savings

(7) The proposed classification of assets as - Dwellings, Other buildings & Structures; Machinery & equipment; cultivated biological resources; and Intellectual property products was approved. It was suggested that a concordance of the old and new classification of assets be included in the Press Note, along with a list of data sources for such classification of assets.

(8) As regards the changes made in the itemisation of basic materials used in construction, the proposal to derive the value of sand as derived from construction for supplementing the information on sand production in the mining sector was approved.

(9) Since, valuables procured by households were proposed to be included as household saving in physical assets in the financial side, it was suggested that this item be adequately clarified for data users.

Private Final Consumption Expenditure

(10) The suggested changes in the PFCE were agreed to.

(11) When the results of the on-going NSS Survey on Social Consumption of Services become available, the ratios and methodology used in compilation of PFCE may be revisited. Changes, if required, may then be incorporated in the next year’s estimates.

(12) In the brochure for the new series, item-wise changes made and its effect on PFCE may be highlighted.

Organised Manufacturing

(13) The proposed shift from establishment to enterprise approach in the case of Registered/ Organised Manufacturing was approved, with the direction to include an explicit caution to the users on the break in the estimates from the two approaches.

(14) The enterprise approach is a better option for the purpose of compiling national accounts, since all the head offices/ ancillary
activities, which may not be adequately covered by ASI, are duly accounted for, in this method.

(15) In respect of the allocation to the different compilation categories, the method of using ASI for allocation of the totals obtained from the enterprise approach would be revisited, as and when more information becomes available from MCA on detailed current classification of industry. Further, the effort to obtain CIN number for each factory covered in ASI would help in linking the two databases and accurate classification by industry.

Unorganised Manufacturing and Non-financial Services

(16) In the earlier methodology, the owners, hired workers and helpers were assumed to have equal productivity. Proposed methodology assigns relative weightage to each of these workers based on their relative productivity and then converts the different types of workers into “effective workers”. The conversion factors of owner and helper categories of Labour Input (LI) in terms of the hired worker conversion factors were obtained, which were then used to compile the “effective LI” from the 68th round EUS and “GVA per effective worker” from the 67th round enterprise survey.

(17) The effective LI method was used for all categories in unorganized manufacturing and the services sector, except for trade, hotels & restaurants and non-mechanized road transport. In these cases, the existing LI method with the GVAPW of establishment for rural enterprises and GVAPW of DTE (greater than 5 workers) for urban enterprises has been used.

(18) With regard to the methodology for extrapolating the base year estimates in these categories in respect of unorganised manufacturing, the estimates of only the non-corporate segment of ASI may be examined for use. Since ASI 2011-12 and 2012-13 are significantly different in terms of the sample design; the non-corporate segment in these two ASIs may not be comparable. Hence, the proposed methodology of using total ASI growth in respective compilation category be used till the time the results of ASI 2013-14 and the methodology be revisited. The indicators used for the years subsequent to base year may be clearly stated for the estimates at both current and constant prices.

(19) It was suggested that growth in the following indicators, in order of priority, be used for estimation of different compilation categories of unorganised services-

(i) sales tax for trade/service tax of the concerned service
(ii) corporate sector growth rate of the concerned service
(iii) consumer expenditure of the closest group/ sub-group
(iv) population

(20) In the case of trade, the indicator should be revisited when the GST becomes operative.

Other Issues

(21) Since the Supply Use Table for the base year is yet to be completed, the existing method of determining “Savings” would have to be continued. The Supply Use Table for the base year may be completed at the earliest and adequately deliberated upon in the subsequent meetings of ACNAS.

(22) The “Labour Input Method” accounts for only the labour in the unorganised sector. The method may not have imputed any value for the “informal” workers in the “formal” sectors, like government or the corporate sector. This needs to be examined at industry level, with due regard to the method of estimation followed for the industry. Due to paucity of time for deliberations on the matter and carrying out the necessary calculations, this would be considered in the next level of revisions.

(23) While noting the change made in the method of estimation in case of fuel minerals, it was recommended that the enterprise approach be used not just in fuel minerals, but in all other major minerals too. For itemising the value added/ output by mineral, details available from IBM may be used.

(24) The Press Note scheduled for release on January 30, should outline the timelines for the release of related document, like the Brochure on New Series, “National Accounts Statistics” and “National Accounts Statistics: Sources and Methods”. The Brochure should include the list of recommendations of the various Sub-Committees, along with the status of implementation of each of them. The status of implementation of the recommendations of SNA 2008 may also form a part of the brochure.

(25) As the new series of national accounts would be incorporating the MCA-21 database for the first time, a conceptual note is expected in the series. Guidance to users may be provided on this aspect specifically. For the purpose of facilitating a time series analysis by users, a note elucidating the method of compiling a longer time series from the available datasets (one on base 2004-05 and another on base 2011-12) may be issued along with the brochure.
Conduct of ROSC Mission by the IMF

2.33 In its 62\textsuperscript{nd} meeting, the NSC recommended that IMF may be approached to send a Mission, for evaluation under the Report on Observance of Standards and Codes (ROSC), to identify the weaknesses in compilation of national accounts in India. In compliance, the CSO requested the Department of Economic Affairs in the Ministry of Finance, the nodal agency for IMF, to take necessary action for the conduct of a ROSC Mission. In response, the IMF has queried whether the price indices would also need to be covered under the Data ROSC.

2.34 The matter was brought before the NSC in its 72\textsuperscript{nd} meeting. The CSO (NAD) stated in this meeting that WPI and CPI (Rural/ Urban/ Combined) would be used for the compilation of estimates in the new series of national accounts and that it would be desirable to get the price indices also covered under data ROSC, since they are an important input for compilation of national accounts. The officers of the DIPP, who were present in the meeting, agreed with the views of the CSO (NAD) and stated that they would be forwarding a formal consent for inclusion of WPI in the ROSC mission after taking the approval of the competent authority.

Recommendations of the Commission

2.35 In view of the above, the NSC recommended that the price indices (WPI and CPI) may also be got covered under Data ROSC.

2.36 The aforementioned recommendation was communicated to the ADG, CSO (NAD); vide communication no. 4(72)/2014-NSC dated 4\textsuperscript{th} December, 2014.

Classification for coverage of wage rate data

2.37 The Labour Bureau’s publication ‘Wage Rates in Rural India’ was using a sevenfold categorization for compiling wage data for non-agricultural occupations. The first six categories did not represent an exhaustive list of skilled non-agricultural workers, as a result of which the last category (unskilled labourers) implied that every other worker is necessarily an unskilled worker. Therefore, it was considered necessary to review the categorization of workers.

2.38 The NSC reviewed the matter in its 48\textsuperscript{th} meeting and recommended that the CSO may constitute a Working Group under the chairmanship of Dr. T.S. Papola to look into the issues. Accordingly, the CSO constituted a Working Group on 12\textsuperscript{th} November 2012. The Working Group submitted its report on 30\textsuperscript{th} May 2013.

2.39 The NSC noted the recommendations of the Working Group in its 68\textsuperscript{th} meeting. The CSO (ESD) informed the NSC in the meeting that the
recommendations of the Working Group have been implemented by the Labour Bureau in their wage data collection surveys since October 2013.

Recommendations of the Commission

2.40 Based on the recommendations of the Working Group and the report on subsequent follow-up action, the NSC recommended as follows:

   (1) The revision of categorization shall have concordance with the National Occupational Classification and the coding pattern followed for the non-agricultural occupations in the Employment-Unemployment Surveys of the NSSO. The categorization may be further revised, if necessary, to meet these requirements.

   (2) The categorization so finalized may be communicated to the user Departments at the Centre and in the States/ UTs as also to other users. The CSO (ESD) may also take up this issue accordingly with the Ministry of Labour and Employment.

2.41 The aforementioned recommendations were communicated to the ADG, CSO (ESD); vide communication no. 4(68)/2014-NSC dated 18th July, 2014.

Labour Force statistics

2.42 The enhanced scope, of measuring work, employment and unemployment through a set of existing and new indicators recommended in the 19th International Conference of Labour Statisticians (ICLS), was earlier noted by the NSC. In order to deliberate on their implications, the NSC, in its Annual Report for the year 2013-14, recommended that the NSSO may prepare a consultation paper and organize a Workshop to take the views of all stake-holders and users of data. In the 69th meeting of the NSC, the CSI stated that modalities for conducting a Workshop will be worked out in consultation with the ILO and that awareness on the recommendations would be created in the statistical fraternity by various means, including discussing them in the next COCSSO. The matter was again reviewed by the NSC in its 70th meeting.

Recommendations of the Commission

2.43 The NSC recommended that holding a Workshop should be taken up on priority to firm up the changes to be brought in the methodology and thereafter, the matter should be reported in the COCSSO, to sensitize the State level functionaries to activate their official machinery to implement the new methodology.

2.44 The above recommendations were communicated to the CSO (ESD); vide communication no. 4(70)/2014-NSC dated 15th September, 2014.
Survey for Measuring Outcomes for Children (SMOC)

2.45 The MOSPI has been considering a scheme for monitoring overall outcomes of several large national programmes on health, education, sanitation etc., so as to assess the impact of these programmes on the overall development of woman and child health in the country. In December, 2008, it received a proposal from the UNICEF for taking up a programme through repeated household survey to monitor a few selected outcome indicators for measuring the well-being of children and women in the country.

2.46 The proposal was discussed in the MOSPI and was accepted for being taken up as a bi-annual household based sample survey with the support of the UNICEF and later as a regular programme of the Ministry, by incorporating in the 12th Five year Plan. With the approval of Secretary, MOSPI, a Steering Committee under him and a Technical Advisory Committee (TAC) under the Chairmanship of Prof. S.P. Mukherjee, former Professor of Kolkata University were formed.

2.47 Based on the recommendations of the TAC and the Steering Committee, a concept paper has been prepared by the NSSTA and submitted to the NSC, for consideration in its 70th meeting. It was proposed in the paper that a Survey for Measuring Outcomes for Children (SMOC) would be generating longitudinal data by tracking the growth of a cohort of children, with emphasis on capturing diverse development trajectories followed by the children mainly in the EAG states. The indicators/ correlates will pertain to monitoring the growth of children from the angle of -,

a) Early childhood care and protection  
b) Health  
c) Nutrition and  
d) Pre-school and primary education;  
e) Keeping the access and use of services provided under different flagship national programs in the background

2.48 In view of a few subsequent developments and issues, indicated below, the NSSTA raised an issue - whether or not the SMOC project has to be pursued.

(i) The UNICEF, the international agency which had earlier evinced keen interest in partnering & collaborating with the MOSPI on the SMOC project, does not seem to be any longer interested in this endeavor. The project was conceived of and originally designed, mostly keeping their interest in view.

(ii) Though, there was in-principle concurrence from the Ministry of Women and Child Development (MWCD) earlier, there is no explicit or clear cut demand for such a study to be undertaken by the MOSPI, from either the MWCD or from any other concerned Ministry.
(iii) The tentative estimated budget for the project is over Rs. 100 crores, over an envisaged implementation period of 7 years or so and no definitive offer of support from external agencies appears to be in the offing.
(iv) NSSTA is already beset/ confronted with an acute manpower shortage and the project, if decided to be implemented, will require a dedicated team of 4-5 officers (at various hierarchical levels) working exclusively for it.

2.49 The Officers of the NSSTA made a presentation on this subject, before the NSC in its 70th meeting. It was reported by them that a token provision has been made for this survey in the 12th Five Year Plan. It was also noted in this meeting that the Ministry of Health & Family Welfare have recently introduced a Mother-child tracking system, which may provide a database.

Recommendations of the Commission

2.50 After detailed deliberations, the NSC made the following recommendations:

(1) The SMOC in its current form may be terminated forthwith.

(2) Since the subject matter continues to be of high importance, the NSSTA jointly with the CSO (SSD) may formulate a new scheme for tracking the growth and development of children and women. In preparing this scheme, the following points may be kept in view:

a) The survey should be a longitudinal survey, because of lack of such data. Cross-sectional data is available from the existing sources.

b) Since the subject matter is multi-dimensional, it does not fall in the exclusive domain of any single administrative Department. Being a longitudinal survey, it should fall in the domain of MOSPI and the data would be useful to several Ministries.

c) The implementation model for SMOC furnished in the concept paper submitted by the NSSTA is not suitable for a longitudinal survey. It may be rectified so as to involve the NSSO in various stages of survey planning and execution, to ensure adequate institutional memory, efficiency and expertise in execution.

d) The survey should not be aimed at providing estimates, similar to those that are available from cross-sectional data in other sources, but should be nationally representative in its sample selection.

e) The survey should be aimed at a cohort-based study of the manifold impact of various child-related Government programmes on the target population covered under the programmes vis a vis the population that are not covered/
impacted under the programmes. This should facilitate assessment of the effectiveness of multiple programmes.

f) The aforementioned revised objectives of the survey may not require huge amount of resources, as has been projected by the NSSTA.

(3) A concept note may be prepared on the above lines in consultation with the NSSO and submitted to the NSC, where upon the NSC would consider constituting a Working Group for formulating methodology etc.

2.51 The above recommendations were communicated to the NSSTA; vide communication no. 4(70)/2014-NSC dated 15th September, 2014.

Status on planning of Time Use Surveys

2.52 In its 45th meeting held in October, 2011, the NSC deliberated on ‘Time Use Surveys’, and 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. The NSC also recommended that the Expert Group may have tenure of one year and that 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 of full-fledged nationwide survey, keeping in view the requirement of sample size and field work.

2.53 The CSO (SSD) constituted a Working Group on 4-1-2012 with one year tenure. The tenure was extended subsequently till 30-9-2014. The Group had six meetings, the last one being held on 31-7-2014. During its tenure, the Group got a pilot survey conducted in two States. Formal report of the Group seems to have not been attempted, and no final report was submitted.

2.54 The CSO (SSD) compiled and furnished inputs on the basis of deliberations made in the meetings of the Working Group and also made a presentation before the NSC in its 72nd meeting, covering broadly the following aspects:

(a) Abridged classification developed by the Group
(b) The pilot survey conducted in two States, Bihar and Gujarat, through the concerned State DESs, mainly to test the classification developed for TUS
(c) Sampling design for nation-wide TUS
(d) Data collection schedules developed for TUS
(e) Resource requirements for TUS

2.55 The NSC noted with concern that the Working Group has not submitted its report, which is the normal procedure. However, the NSC appreciated the efforts made in preparing an abridged classification. It was reported that the quality of data in the pilot survey is questionable. The NSC also noted that the users’ perspective, which should have been the basis for the TUS, has not been paid adequate attention in formulating sampling design and the data collection schedules. It is quite obvious that the TUS is a different and perhaps the most difficult survey, compared to other surveys being handled in the MOSPI and this feature did not get adequate attention. The thought process that has to go into formulating an approach for data collection is not clearly known in the absence of the report of the Group. The criteria followed in post-stratification in the listing schedule needs reconsideration to build a nexus between the objectives of the survey and the population to be better targeted.

2.56 The NSC felt that TUS, being a very important survey in the context of social dynamics and expanding SNA framework, needs to be conducted very soon by the MOSPI. In order to introduce this as a new product, it would be necessary to quickly fine-tune the inputs furnished by the CSO (SSD) to formulate the survey instruments for TUS to meet the legitimate aspirations of users.

Recommendations of the Commission

2.57 In view of the above, the NSC recommended that,

(1) the classification developed by the Group may be placed in the public domain and also referred to experts to invite comments from them;
(2) the CSI may constitute a small Group of Officers to quickly work on formulating survey instruments to conduct TUS through outsourcing under FOD supervision;
(3) at field level, the survey needs to be carried out through at least 50% female enumerators, as the informants in the TUS would be mostly female members of households;
(4) the lists of households available through caste census may be examined to see whether they would serve any purpose in the TUS;
(5) apart from the inputs that would be available under the exercises mentioned at (a) to (d), the Group of Officers, as a part of their working, may consider different approaches for data collection,
which may be tested in the field to see which is more appropriate, for which FOD may provide all support; and
(6) the survey instruments formulated by the Group of Officers may be placed before the NSC in about three months’ time.

2.58 The aforementioned recommendations were forwarded to the CSO (SSD) and the NSSO; vide communication no. 4(72)/2014-NSC dated 4th December, 2014.
CHAPTER-3

Review of statistical activities of the National Sample Survey Office

3.1 As already stated in para-1.7 of Chapter-1, the NSC has been exercising the functions of the erstwhile Governing Council of the NSSO, under the Statistics Wing of the MOSPI. The functions include deciding the subjects for coverage in each NSS round, formulating methodology, and overseeing the processing of data and the release of survey reports/unit level data by the NSSO. The NSC has constituted Working Groups from time to time to assist it in exercising these functions. During the period under report, a number of activities relating to the NSSO have been reviewed and the recommendations of the NSC thereof have been forwarded to the DG, NSSO and the concerned Divisions of the NSSO.

3.2 During the period under report, the NSSO released the following eleven reports based on the data of the NSS 68th, 69th and 70th NSS rounds.

**NSS 68th round (July 2011- June 2012)**

(1) Informal Sector and Conditions of Employment in India
(2) Household consumption of various goods and services in India, 2011-12
(3) Participation of Women in specified Activities along with Domestic Duties
(4) Nutritional Intake in India, 2011-2012
(5) Household Consumer Expenditure Across Socio-Economic Groups, 2011-12
(6) Employment and Unemployment Situation Among Social Groups in India

**NSS 69th round (July 2012- December 2012)**

(1) Drinking Water, Sanitation, Hygiene and Housing Condition in India
(2) Urban Slums in India, 2012

**NSS 70th round (January 2013- December 2013)**

(1) Key Indicators of Land and Livestock Holdings in India
(2) Key Indicators of Debt & Investment in India
(3) Key Indicators of Situation of Agricultural Households in India

3.3 The NSSO also placed the Unit Level Data in public domain, in respect of the following schedules during the period under report:
NSS 70th round (January 2012- December 2012)

i. Schedule 18.1: Land and Livestock Holdings
ii. Schedule 18.2: Debt and Investment
iii. Schedule 33: Situation Assessment Survey of Agricultural Households

3.4 On the basis of the report of the Committee on pooling of Central and State NSS samples and the recommendations thereon of the NSC, the NSSO brought out a ‘Manual on Pooling of Central and State Sample Data’ for providing guidance to the concerned officers and staff involved in such work at the Centre and in the States.

Tabulation plan – 71st NSS round (69)

3.5 The 71st NSS Round (Survey period: January 2014 – June 2014) was devoted to the subjects of Social Consumption comprising ‘Health and Morbidity’ and ‘Education’. The Working Group, constituted for the NSS 71st round, under the Chairmanship of Prof. Rajeeva Karandikar, formulated estimation procedure and tabulation and dissemination plan for the round. The tabulation plan, along with other documents, was placed before the NSC in its 69th meeting.

3.6 The Working Group deliberated on a previous direction given by the NSC stating inter alia that “The NSSO shall bring out an overview report covering key results on the subjects of inquiry in each round and simultaneously release unit level data. Responsibility for preparation of other reports will be finalized by the NSC. In respect of subject areas handled by participating Ministries/ Departments, the relevant unit level data would be shared with them by the NSSO and, on the basis of that data, they should bring out their own reports. The Working Group enlisted the views of experts and participating Ministries represented in the Group on the NSC’s direction and referred the matter to the NSC for consideration.

Recommendations of the Commission

3.7 On the basis of the review made in its 69th meeting, the NSC made the following recommendations:

(1) The Tabulation Plan for the 71st NSS Round formulated by the Working Group has been approved by the NSC. The NSC desired that a few more tables, specified to the NSSO in its 69th meeting, may be added in the Tabulation Plan.

(2) Unit level data and tables as per Tabulation Plan may be shared by the NSSO with the other participating Ministries and the NSSO may also provide additional tables, if any, demanded by the Ministries. With regard to survey reports, the NSC directed that
key indicators and the main report are to be handled for release in the NSSO (SDRD). The NSC further desired that other subject-specific reports may be drafted and released by the concerned participating Ministries, who should take ownership of the reports. The NSSO may, accordingly, keep the Secretaries of the participating Ministries (in this case, Health, Education and Information Technology) informed that the primary responsibility for reports based on NSSO surveys would be that of the concerned Ministries.

Survey instruments for the 72nd NSS Round

3.8 The 72nd NSS Round (Survey period: July 2014 - June 2015) is devoted to the subjects of (i) Domestic Tourism Expenditure, and (ii) Household Expenditure on Services and Durable Goods. This survey also envisages evaluation of methodology using shorter schedules in the NSS consumer expenditure survey. The proposed shorter schedules are being prepared by splitting the main consumer expenditure schedule of NSS, so as to facilitate canvassing the schedules in different households in relatively lesser time to elicit better response from them.

3.9 The survey instruments for the 72nd NSS Round, formulated by the Working Group constituted for the purpose, were firmed up on the basis of discussions held in All India Training of Trainers held on 3-4 April 2014 at Amritsar. The instruments include three schedules of inquiry for facilitating experimentation of shorter schedules of consumer expenditure survey, one schedule of inquiry on 'Domestic Tourism Expenditure', one schedule of inquiry on 'Household Expenditure on Services and Durable Goods', a schedule for listing of households and instructions to the field staff for filling these schedules.

Recommendations of the Commission

3.10 The aforementioned survey instruments and the plan of experimentation of short schedules on consumer expenditure were reviewed by the NSC in its 66th meeting and the following recommendations were made:

(1) The survey instruments for the 72nd NSS Round have been approved by the NSC, subject to the following conditions:

   (a) The items on principal industry and principal occupation (given in Block-3 of the detailed inquiry schedules) may be dropped.
   (b) The code list for recording the sex code of persons may, in consultation with the concerned Ministry, be enhanced to cover transgender people.
(c) The blocks in the short schedules on consumer expenditure may be sequenced in the order in which they normally appear in the NSS consumer expenditure schedule.

(d) A separate stratum for First Stage Units with population of 0-30 may be carved out at State level, in order to cover them in a cost effective manner. This stratum may not pose problems at the time of pooling Central and State samples, even if it is ignored, because of its negligible contribution.

(2) The NSC endorsed the suggestion to re-analyze 68th NSS round data to evolve strategies for combining short schedules. The Indian Statistical Institute may be requested to host a technical seminar on the subject.

**Subject coverage for the 73rd NSS Round**

3.11 On the issue of subject coverage in the 73rd NSS Round (Survey period: July 2015-June 2016), the NSC in its 65th meeting (March, 2014) felt that conducting a follow-up survey of the VI Economic Census could be considered as one of the options. The matter was reviewed by the NSC in its 66th and 68th meetings.

3.12 The CSO (ESD) submitted a progress report on the VI Economic Census, conducted using the Enumeration Blocks carved out during the 2011 human population census. The Economic Census provided for preparation of a list frame of larger enterprises. The CSO (NAD) had separately undertaken an initiative of developing a Business Register and its regular updation in collaboration with DESs of the States. The register is a list of bigger enterprises with their complete postal addresses, which can be used as a list frame in any enterprise survey. It was reported that the progress made by the State DESs is not very satisfactory, and that it will take some time to make the Register operational.

3.13 The NSSO submitted a note covering *inter alia* the requirements from the VI Economic Census Frame, the requirement specified by the Labour Bureau to measure contract labour and the requirement specified by the NSDA on assessing demand for vocational skills. The CSO (NAD) submitted a note on their requirements and on the details of experience of conducting an integrated enterprise survey in the past.

3.14 The details of past experience of conducting an integrated enterprise survey, particularly the comparison of the results in the integrated approach with those when the sectors were surveyed individually were reviewed by the NSC. The NSSO reported that relative standard errors of estimates of Gross Value Added Per Worker are well within 10% for most of the activity categories, in respect of the 67th NSS round (integrated approach followed). It was further mentioned by the NSSO that formation of a large number of 2nd stage strata (19 nos.) in the 67th round made the listing schedule quite clumsy resulting in large number of misclassifications of the units, particularly
in the 1st sub-round. It was noted that the sample size fixed at SSU level in the 67th round was 44, whereas the realization, on the average, in the survey was around 21. The CSO (NAD) reported that they need estimates at compilation category level for each State, which was not wholly met in the 67th round and in the previous NSS rounds.

Recommendations of the Commission

3.15 Taking into consideration all the aforementioned and other relevant factors in its 68th meeting, the NSC made the following recommendations:

(1) The 73rd round of NSS (Survey period: July 2015 – June 2016) would be devoted to surveying unincorporated non-agricultural enterprises in manufacturing, trade and other services (excluding construction) as was the case in the 67th NSS round to get estimates of various economic and operational characteristics at national and State level. The data of the VI Economic Census may be used as a source for evolving the sampling design.

(2) A Working Group will be constituted in the same pattern as was done in the previous rounds to formulate methodology etc., for the 73rd round. The Working Group will address the issues of lower relative standard errors experienced in the past in some cases, as also the field problems such as having large number of second stage strata. While examining the sampling design for the 73rd round, the Working Group will also review the heavy sample size of 44 prescribed at Second Stage Unit (SSU) level in the 67th round to arrive at an appropriate sample size at SSU level, as also the requirement of enhancing the number of FSUs for the 73rd round. The Working Group may also examine the proposals of the NSSO relating to measurement of contract labour and vocational skills.

(3) The details of composition and other modalities for constituting the Working Group would be worked out by the NSC Secretariat with the approval of the Chairperson, NSC.

(4) Despite making every effort to improve the sampling design within the available resources, it may not be possible to meet the NAD’s requirement of getting reasonable estimates for all the compilation categories exclusively from the Central sample of the 73rd round. Pooling of results of the Central and State samples of the round would only serve the purpose. Hence, the NAD shall take up this issue with the States (as they are responsible to compile State GDPs) so that they could activate their official machinery right from the beginning of the round to achieve this goal in a time bound manner. The pooled results would also be
useful to the NAD in the base revision exercise of national accounts.

3.16 A Working Group has been constituted on 19th August 2014 under the Chairmanship of Prof. K. L. Krishna for formulating methodology and overseeing the entire gamut of activities of the 73rd NSS round. The Working Group has started functioning.

**Status of Drug abuse survey**

3.17 A Working Group on Drug Abuse Survey was constituted under the chairmanship of the DG, NSSO on 22-10-2013 with six months tenure to formulate methodology and conduct a pilot. In consultation with the Ministry of Social Justice and Empowerment, the NSSO submitted a status note and a proposal for extension of the tenure of the Working group for six months with effect from 22-4-2014. The proposal for extension of tenure has been approved by the NSC.

**Status of Periodic Labour Force Survey**

3.18 The MOSPI, on the recommendation of the NSC, constituted a Committee on Periodic Labour Force Survey (PLFS) in February 2009, under the Chairmanship of Prof. Amitabh Kundu, to prepare a detailed proposal for establishing a framework for collection and dissemination of monthly/quarterly labour force data at the national and state level in respect of urban areas. Based on the report of the Committee, the PLFS was proposed to be a panel survey based on rotational sampling design. As the NSSO had no previous experience of conducting such a survey, the Committee suggested for conducting a pilot on PLFS before launching the full-fledged PLFS to have an idea of the efficacy of the schedule design in eliciting the desired information.

3.19 The pilot survey was conducted in the urban areas of three States (Himachal Pradesh, Odisha and Gujarat) during the period July 2011 - June 2013 in 8 quarters with sample FSUs recommended by the Committee for different States.

3.20 Before considering implementation of the full-fledged PLFS in the whole country, it was decided that the experiences of PLFS (pilot) would be discussed in a wider forum to seek views/ suggestions from experts/stakeholders. Accordingly, a Workshop on PLFS inviting the stakeholders was held in December, 2013.

3.21 The broad consensus emerging out of the Workshop was that the full-fledged PLFS need to be designed so as to address the following issues:

  (i) In the urban areas, labour force indicators may be estimated only in the first quarter to see the accuracy of the estimates and from the
next quarters, changes in the labour force indicators may only be estimated.

(ii) In the rural areas, changes in the labour force indicators between quarters are not to be measured and therefore, only first visit schedules may be canvassed to the sample FSUs of a quarter to get annual estimates of labour force indicators.

(iii) Annual estimates of the labour force indicators for both rural and urban areas may be developed using usual design based estimation procedure from the first visit schedules of PLFS.

(iv) Usual activities may also be collected in the first visit schedule, provided field conditions permit.

(v) The content of the PLFS schedule, indicators to be released and the level of disaggregation of the results need to be firmly decided in consultation with the NAD, the Planning Commission, the Labour Bureau, and the Ministry of Labour & Employment, etc.

(vi) In the urban areas, sample size is to be decided to get reliable estimates of the change parameters at the desired level of disaggregation and rotational estimation procedure is to be used to get the estimates of the change parameters.

(vii) A small expert group may be formed for (a) finalisation of survey schedule to measure quarterly changes of the labour force indicators in the urban areas and to give annual estimates of the indicators in both rural and urban areas, (b) deciding the indicators and the level of disaggregation at which the indicators are to be released, (c) determination of sample size and (d) resolving the problem of rotational estimation procedure, faced while generating results of PLFS (Pilot) at the disaggregated level.

3.22 Keeping in view the broad recommendations of the Workshop, the NSSO, proposed to undertake a full-fledged PLFS across the country to measure quarterly changes of various statistical indicators of the labour market as well as to generate the annual estimates of different labour force indicators, both in rural and urban areas. It was reported that the PLFS is an approved activity under the 12th Five year Plan (2012-2017). The NSSO stated that carrying out PLFS with a large number of sample FSUs on regular basis at all-India level is not possible unless a separate setup is established for this purpose.

3.23 The representatives of the NSSO presented, before the NSC in its 66th meeting, the experience of the pilot PLFS conducted by them in urban areas and the proposal to conduct an all India survey in both rural and urban areas.
Recommendations of the Commission

3.24 After reviewing in its 66th meeting, the experience gained in the pilot PLFS and the consensus arrived at the aforementioned Workshop, the NSC made the following recommendations:

(1) The proposal of the NSSO has been approved in-principle by the NSC.

(2) The NSC desired that –

(a) the MOSPI may constitute a Standing Committee on Employment Statistics in consultation with the NSC to oversee the proposed PLFS;
(b) the NSSO would provide Secretariat support to the Committee;
(c) the Standing Committee will finalise the survey instruments, tabulation plans and structure of annual and quarterly releases for the PLFS on the basis of material already prepared by the NSSO; and
(d) these may be placed before the NSC for its approval.

(3) This PLFS will be in addition to the regular NSS cycle of socio-economic surveys, and therefore, suitable addition to the capacity of NSSO be done.

Urban Frame Survey

3.25 The Urban Frame Survey (UFS) with an objective to provide complete, updated and easily identifiable frame for socio-economic surveys in urban areas is being conducted by the Field Operations Division (FOD) of the NSSO since 1958. It provides a frame in the form of listing of UFS blocks with some ancillary information and notional maps. The frame is updated every five years in the form of phases. Since July 2013, as a sort of follow up of the Census 2011, updation of frame for the phase 2012-17 has been initiated to be completed within 4 years with some changes in the methodology.

3.26 In order to discuss and finalize the issues of dissemination of UFS data and also analyse the experience of the new methodology followed in 2007-12 phase of the UFS, a Committee was constituted under the chairmanship of the ADG, NSSO (DPD). The Committee submitted its report.

3.27 Besides, the NSSO (FOD) had taken an initiative to digitize the UFS maps in GIS framework. With the help of the Remote Sensing and GIS Cell of the National Informatics Centre (NIC), a pilot was conducted in the Rewari town of Haryana. The pilot was reported to be a success. In view of this, the NIC submitted a proposal to the NSSO for covering a bigger pilot of 1000 square kilometers of area, comprising towns selected by the FOD with project duration of 6 months and with no financial obligation to the NSSO. The NSSO stated that the proposed digitization of UFS maps would lead to proper demarcation and identification of UFS blocks enabling faster updation with
less effort, and cater to the needs of many other Government organisations and research agencies in conducting their own surveys. It was also contemplated by the NSSO that geo-referenced and digitized UFS blocks could be used in future population Censuses in place of enumeration blocks.

3.28 The officers of the NSSO made a presentation, before the NSC in its 69th meeting, on the report of a committee on UFS headed by the ADG, NSSO (DPD), and on the proposal of the NIC. The NSC appreciated the efforts of the NSSO and the NIC in making the pilot project a success. The NSC strongly supported the proposal to conduct a bigger pilot. Further, the NSC noted *inter alia* the following points, which are a matter of concern.

(1) The NSC is disturbed to learn that the UFS frame is not shared with any agency at present. Even in case of other Government agencies, the frame is not shared, but the NSSO provides the service of sample selection. Secondly, it was noticed that although the maps of UFS blocks were being disseminated, the cost for the users was prohibitive.

(2) There seems to be a growing discrepancy between the census and the UFS and, of late, both the activities are being carried out parallel with different periodicities. There is a need to re-establish the connection in a manner that the data of the Census along with the UFS could be made use of, in the NSS and by other users.

(3) Persistent divergence between the population estimates of the census and the NSS, attributable primarily to the UFS because of its getting out-dated fairly rapidly, needs immediate attention.

**Recommendations of the Commission**

3.29 In order to address the aforementioned concerns, the NSC gave the following directions.

(1) As the position taken by the NSSO regarding sharing of UFS frame is contrary to the Policies of the Government, namely, the National Data Dissemination Policy and the National Data Sharing and Accessibility Policy, and since the pricing of UFS maps has to be seen in the context of promoting their use rather than cost recovery, the NSSO shall immediately reconsider and review its position consistent with the Policies and also devise proper formula for disseminating UFS maps to enhance their utility among users.

(2) With regard to field work in the UFS, the NSC desired that satellite images of towns available with the ISRO/ NRSA may be used as an additional reference material to ensure that new structures/ houses that might have come up after the Census are accounted for.

(3) The NSC further felt that administrative boundaries of wards need to be kept in view to produce UFS data at that level to facilitate comparison with the latest census data and ensure consistency.
(4) Ward identification (multiple codes where applicable), apart from district codes and town codes etc., needs to be provided in the data of all the UFS blocks to zero down on the problem of underestimation.

(5) In the wake of rapid urbanization in India, the NSSO has not been able to cope up in its UFS work and may be compromising on quality. The situation may be worse in future, since resources may be insufficient to keep pace with the urbanization. Having spent huge resources in the Census, it would not be proper for the Government to ignore the database emanating from the Census and take up a parallel exercise such as the UFS with a limited scope of collecting a few details, which cannot match the details collected in the census.

(6) In view of the vast information at Census EB level available in the population census data and the recent attempt in the VI Economic Census to collect information on economic activities at that level, the NSC felt that the NSSO shall, as soon as possible, switch over to a sampling design which uses the information.

(7) The digitized ward maps and Abridged House-listing of EBs, besides EB maps prepared by the Census shall be made use of, for finding a solution to the problem of integrating EBs and UFS blocks. If there are deficiencies in the Census EBs, they have to be addressed in a manner that a combination of a small group of EBs will have permanent and identifiable boundaries, which can be taken as a UFS block. In this exercise, minor differences in area should be ignored.

(8) The numbers on various parameters available for the Census EBs in each combination may be added to tag the resultant information to the UFS block so formed. This information at UFS block level could be updated, as and when UFS work in the relevant town is taken up or as when the block is selected for survey (listing operations) in the NSS.

(9) The aforementioned plan of action would facilitate using the information, in the censuses and in the subsequently updated information on UFS blocks, in computing multipliers. Revising multipliers in accordance with population growth would reduce the divergence in population estimates between the Census and the NSS.

(10) The NSSO may prepare a road map on the lines recommended above for covering all the urban areas and to complete the work of digitization of UFS maps in GIS Framework in a time-bound manner. The NSSO may also explore whether provision of Geo references to corner points, turning points and other major land marks in each UFS block by the concerned enumerators of the FOD could speed up the process of conversion of notional maps to scale, by the NIC. The NSC further desired that the UFS maps and other data prepared from the NIC project may be shared with the ORGI.

Restructuring activities of the NSSO (Agriculture Statistics wing)

3.30 In its 64th meeting (Feb, 2014), the NSC, while reviewing the activities of the Agriculture Statistics (AS) Wing of the NSSO (FOD), -
(i) noted that there are many data gaps in the field of agricultural statistics, which have not been addressed adequately over the years, while resources are being spent every year on the ICS scheme without much success;

(ii) recommended that the operation of the ICS scheme may be taken up periodically, say once in five years; and

(iii) desired that the NSSO may, in consultation with the Ministry of Agriculture, the CSO, the Planning Commission and the IASRI, prepare proposals for diversification of the work of the AS Wing during the remaining period to cater to other requirements in the subject area, such as statistics on non-principal crops, agricultural inputs, horticulture, agricultural markets, and minor irrigation including allied fields such as animal husbandry.

3.31 As a follow-up of the aforementioned recommendations, a note was prepared by the NSC Secretariat on the basis of material furnished by the CSO (NAD) and other inputs available. The note was considered by the NSC in its 73rd meeting.

3.32 The AS Wing of the NSSO (FOD) is responsible for all aspects of the Improvement of Crop Statistics (ICS) scheme from the primary stage of preparation of the survey design to data processing and publication of reports.

3.33 On the basis of data collected under the ICS scheme, the AS Wing brings out State-wise and season-wise (Kharif and Rabi) status reports titled “Review of crop statistics system through Scheme for Improvement of Crop Statistics”. The AS wing also compiles important features of the crop yield estimation surveys carried out by every state and consolidates the results in the form of a publication titled ‘Consolidated Results of Crop Estimation Survey on Principal Crops’ every year.

3.34 The NSC reviewed the matter again in its 73rd meeting. It was noted that the work of the AS Wing has become routinized and it was not immediately clear what use the Annual Reports prepared under the ICS Scheme were being put to. The Department of Agriculture and Cooperation (DAC) gave their views on the issue, vide their letter dated 2-1-2015 and desired that NSSO supervision of crop cutting experiments on the ICS scheme should continue as at present. There was however, no mention of the sample area estimation, also being carried out.

Recommendations of the Commission

3.35 On the basis of the review in its 73rd meeting, the NSC made the following recommendations/ observations:

(1) The limitations of agricultural data and the poor use of the annual reports prepared by the Agriculture Statistics (AS) Wing of NSSO
(FOD) had been noted extensively in the report of the Vaidyanathan Committee. The NSC noted that the DAC did not actively use the annual reports of the AS Wing of the NSSO, but relied on the crop-cutting experiments supervised by the NSSO (FOD) as a potential cross-check on the yield estimates made by the States. The DAC pointed out that there have been instances when the State estimates have not been accepted by the Ministry. It was, however, not clear whether the yield estimates made through the crop-cutting experiments had any role to play in this.

(2) With regard to the non-acceptance of the State estimates by the Ministry of Agriculture, the National Accounts Division (NAD) pointed out that the concerned States were not aware of the non-acceptance and the basis on which the Ministry of Agriculture furnished estimates for compilation of national accounts. The discrepancies only came to light during the process of reconciling State GDP estimates with the national GDP estimates. The NSC observed that this was against good statistical practice, and directed the DAC to invariably communicate to the States any divergence from the State estimates and the reasons for doing so.

(3) The NSC observed that the continued allocation of a large human resource component to the ICS programme does not appear to be justified given the minimal use of its reports and data.

(4) Given the nature of use, the NSC felt that the same purpose can be served by doing this exercise once every five years rather than every year as at present. In view of the numerous other data gaps in agricultural statistics which had been identified by the Vaidyanathan Committee and by the National Accounts Division (NAD), a suitable proposal for more effective use of the human resource in agricultural statistics may be developed, and this matter may be taken up with the Ministry of Agriculture at its highest policy level.

**Decentralizing Data Entry in the NSSO**

3.36 The NSSO took up data entry of filled-in schedules of the 68th NSS round on a pilot basis at its FOD Regional Office, Goa. The NSC, during its 48th meeting held at Goa, visited the NSSO (FOD) Regional Office, Goa and appreciated the initiatives taken by the NSSO. In the 48th meeting, 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.

3.37 According to the aforementioned directions, the NSSO continued the experiment for the 69th round in the FOD offices in the States of Goa, Puducherry, Sikkim, and Jammu & Kashmir. The officers of the NSSO presented the experience before the NSC in its 68th meeting. The NSC noted the observations made by the NSSO as also the fact that they did not provide
for online checking and editing by supervisors in the experiment. It was felt that flow of filled-in paper schedules from FOD offices to the DPCs of the NSSO need to be dispensed with eventually and it has to be replaced by flow of digitized data. The matter would be further considered by the NSC, while reviewing the overall activities of the NSSO.

**Use of CAPI software by the NSSO**

3.38 The representatives of the World Bank made a presentation in the NSSO (FOD) Hqrs on the Computer Assisted Personal Interviewing (CAPI) open software developed by them. The software assists governments, statistical offices and non-governmental organisations in conducting complex surveys with dynamic structures using android based tablet devices. The main advantages of CAPI solutions, as mentioned by the World Bank Team are: Data collection using Tablets, Data validation at the time of entry, Real-time availability of results and automated survey management. The CAPI software is offered free of charge.

3.39 The officers of the NSSO made a presentation, before the NSC in its 69th meeting, about the CAPI open software launched by the World Bank. They have also furnished a note on the issue to the NSC. The features available in the software have been noted by the NSC. It was pointed out by the NSSO that the CAPI solution is more suitable for list frame based survey with single stage sampling design. They have also stated that in case of the complicated multistage survey of the NSSO using areal frame where Second Stage Stratification is required after listing all the households in a selected FSU, the CAPI solution with its present features may not be suitable as it does not support statistical random sampling on the listed households. The NSC observed that this limitation could be overcome by suitable modification of the existing procedures.

3.40 It was pointed out that after completion of listing operations, the listing data collected through CAPI has to be downloaded and handled separately to select sample SSUs. Thereafter, the data collection in the selected SSUs has to be treated as separate assignment(s) under the CAPI solution.

**Recommendations of the Commission**

3.41 After detailed deliberations in its 69th meeting, the NSC made the following recommendations:

(1) Before giving a commitment to the World Bank for using the software on pilot basis (which seems to be a requirement to take the assistance of the Bank), the NSSO needs to internally evaluate the software in more detail for its suitability for the NSSO surveys and for this purpose they may, if necessary, initiate a dialogue with the World Bank.
(2) The NSC should be kept abreast of the developments in this regard at suitable intervals.

**Review of activities of NSSO in the context of ten-year cycle for future NSS**

3.42 The NSC reviewed the activities of the NSSO, in the context of laying down a ten-year cycle for the future National Sample Surveys (NSS). It was noted that there has been a system of deciding the next ten year cycle of NSS well in advance. The pattern followed in the ten year cycle that has been in vogue in recent times, has been as follows:

1) Consumer Expenditure and Employment & Unemployment - Twice
2) Unincorporated Non-Agricultural Enterprises (excluding construction) - Twice
3) Land and Livestock Holdings - Once
4) Social Consumption (Health and Education) – Once (6 months survey)
5) Housing conditions including slums - Once (6 months survey)
6) Open Round - 4 years (for accommodating the requirements of other Ministries/Departments)

3.43 It was observed that while there is a heavy demand from different Ministries for surveys on new subjects by the NSSO, at present only 25% of the NSS data is being put to use. Hence, the NSC thought of eliciting the opinion of experts and users within and outside the Government. For this purpose, the NSSO, at the instance of the NSC, conducted two Brain Storming Sessions in August 2013 and in October, 2014.

3.44 Report of the first Brain Storming Session brought out *inter alia* the following observations/recommendations:

(i) Restricting to ten year cycle of NSS may not be necessary. Instead, more frequent surveys for core statistics may be considered for coverage in NSS surveys with alignment to such subject, on which data are not readily available.
(ii) Need for identification of data gaps and need for NSS surveys to cover these gaps.
(iii) While deciding next cycle of surveys, need for panel data and time series data depending upon the subjects covered may be kept in view.

3.45 Based on the aforementioned report, the NSC felt that introduction of master sample, as is the practice in some foreign countries, provides more flexibility in the NSS, in terms of accommodating more subjects, better survey management and cost efficiency. Through the development of a Master Sample, the NSSO may be able to address some of the problems associated with the current practice of preparation of urban sampling frame based on
Urban Frame Survey (UFS) blocks. In view of these advantages, the NSC referred the matter to the 72nd NSS Round Working Group, seeking a report on feasibility of having a master sample in NSS. The report of the Working Group is awaited.

3.46 The aforementioned issues as also enhancing the scope of utilising Information Technology in the NSS were considered in the Second Brain Storming Session.

3.47 The NSC considered, in its 73rd meeting, the inputs provided by the NSSO as well as views that emanated during the two Brain Storming Sessions on NSSO activities. The discussion in the meeting on the ten year cycle for NSSO activities noted the following points, as being of relevance in the overall decision making:

a. It has already been decided that NSS will be conducting Annual Surveys on Labour Force to produce quarterly indicators for urban areas and Annual Estimates of Labour Force for both urban and rural areas through the PLFS survey. In view if this, the coverage of the quinquennial EUS survey would need to be significantly revised.

b. As part of the 72nd NSS round, the NSC had recommended a large scale experiment on the use of shorter schedules to canvas household consumer expenditure. This exercise is currently in the field and the report of this experiment is likely to be available sometime in the middle of the year 2016. This report would play a critical role in the future structure of consumer expenditure surveys.

c. It was also noted that NSS through the Field Operation Division (FOD) is involved in the collection of a number of other forms or data relating to prices, agricultural statistics, rural wages, annual survey of industries as well as supporting data collection for wholesale price indices and the indices of industrial production. In view of this, it was felt that finalising a decennial programme would require a fuller understanding of the human resource constraints of the FOD. FOD was requested to prepare a note describing the human resource availability for future surveys, including the possibility of getting better mileage from scare resources through combination of use of outsourcing along with FOD’s own manpower.

3.48 In view of the aforementioned observations, the NSC would review the matter again on receipt of the reports/ details mentioned thereof.
Chapter-4

Review of statistical activities of other Central Ministries

4.1 During the period under report, the NSC reviewed a number of statistical activities being carried out in various Ministries/Departments, other than the MOSPI. The MOSPI has been collaborating with them in some of the activities. Details are given in the following paragraphs.

Index of Core Industries

4.2 The Department of Industrial Policy and Promotion (DIPP) has been releasing a monthly Index of Core Industries (ICI) with base year 2004-05, covering output of eight core industries, namely, Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel (both alloy & non-alloy), Cement, and Electricity, which have a combined weight of 37.9% in the Index of Industrial Production (IIP) being released by the CSO.

4.3 The ICI released for March, 2014 showed a 2.5% rise from a year ago. But, the DIPP simultaneously revised the growth for March, 2013 to 7% from 3.2%, changing the base for calculation of growth for the year 2014. A similar revision was done by the DIPP in the previous month as well when February, 2013 growth was revised to 2.3% from -1.3% estimated a year back. January, 2013 number has been revised up to 8.3% from 3.7% estimated till a month ago.

4.4 There was adverse criticism in the media ('Economic Times’ issue dated 2nd May 2014) on the revision of the ICI released by the DIPP for March 2013. As the revisions raised doubts, the NSC reviewed data sources, the methodology and the protocols, followed in compiling the ICI, to examine inter alia the following issues:

(a) The impact of the revisions in past data (for ICI) on the IIP, given the fact that three revisions are provided for the IIP in respect of current data, which happen within three months of the first release, but not in respect of past data.
(b) Whether the DIPP has a policy of revision of data, and if so, whether it has been violated
(c) The reasons that prompted revision of past data and the agencies responsible for it
(d) The revisions in past data have been done by the DIPP with a year's lag, not in one-go, but along with monthly releases of current indices. This may give an impression to the users that the revision is being done to manipulate growth rates.
4.5 The Secretary, DIPP, vide his letter dated 19th June 2014, addressed to the CSI, stated as follows:

“The objective of the ICI is to provide an advance indication of how the industries whose production performance is ‘core’ in nature perform, because of their likely impact on general economic activity as well as other industrial activity. It was never the intention that the ICI and the IIP should be identical, particularly when the latter alone is used in any official analysis for assessing industrial performance.

CSO has been aware for quite some time that there are valid methodological differences between ICI and IIP. It needs to be borne in mind that ICI, by its nature and intention, is a ‘provisional index’. In ICI, the data of the corresponding month of the previous year is revised only once, i.e., while compiling the index of the current month, using the revised production figures as provided by the respective source agencies. The monthly press release on ICI also clarifies the revision through a footnote. The advantage of ICI is that any crosschecking of actual production performance of any of the industries included in the ICI at any point of time would reveal that there is no discrepancy between the figures disseminated by the source agency and those published in the ICI. Dissemination about IIP data sets, in contrast, do not indicate the actual production figures at all.

In my considered opinion, it would not be appropriate to interpret and react to media reports without considering valid differences in the methodology followed and intention of the two indices.”

4.6 Subsequently, the DIPP furnished a note to the NSC broadly indicating the methodology followed for compilation of the ICI. The Officers of the DIPP made a presentation, before the NSC in its 70th meeting, on the steps taken by them in compiling the ICI. From the note and the presentation, it was noted *inter alia* by the NSC that –

(a) the ICI is published on the last day of every month (or next working day, if the last day of a month is holiday), which is about 12 days ahead of the date of release of monthly IIP;
(b) the DIPP is dependent upon other Departments/Offices for supply of data, except for the data on cement sector;
(c) while compiling the ICI of a particular month, the latest available data of the corresponding month of the previous year (which in the meantime might have undergone repeated revisions by the concerned source agencies) as provided by the respective source agencies (in some cases, it is published by them) is taken; and
(d) revision of data by the Ministry of Steel (Joint Plant Committee) seems to be highly erratic, delayed and substantial, which induces revision of the ICI and the resultant growth rates.
4.7 The NSC expressed its dissatisfaction with the manner in which the ICI was produced and pointed out that releasing growth rates on the basis of provisional data of the current month and revised/finalised data of the same month of the last year does not seem to be a good practice. It was reported that the source agencies for the ICI also furnish data every month for compiling IIP and that the revision plan for IIP has been worked out on the basis of commitments on data flow given by the respective agencies. This practice is apparently not followed for the ICI.

Recommendations of the Commission

4.8 In view of the above, the NSC made the following recommendations:

(1) The DIPP may consider the revised/finalized figures of the source agencies either after 11 months or after 13 months and take a decision in consultation with the source agencies. But, the second option of 13 months seems to be a better option. The present practice of revising the figures after 12 months may be discontinued.

(2) The source agencies should not exhibit a different commitment in terms of timelines for data flow to the CSO and the DIPP. Substantial revisions in data even after furnishing data for IIP purposes, by the source agencies is not a good practice and should be avoided. If any source agency has difficulties in data collection due to non-response or delayed response, the agency should consider collecting data under the provisions of the Collection of Statistics Act, 2008 to ensure quality and timeliness.

(3) Time lines for data flow may be reviewed by the DIPP in consultation with the source agencies and they should come out with a clear and transparent revision policy, as was done by the CSO in case of IIP.

(4) In case of the Ministry of Steel (Joint Plant Committee), the CSO (ESD) and the DIPP may have detailed discussions with them on the problem areas. On the basis of the discussions, the CSO (ESD) and the DIPP may furnish a note to the NSC on the improvements worked out during the discussions.

4.9 The above recommendations were forwarded to the DIPP and the CSO (ESD); vide communications no. 4(70)/2014-NSC dated 15th September, 2014 and 24th September, 2014.

(Action: DIPP, MOSPI)

Impact of revisions in data for ICI on IIP

4.10 The CSO (ESD) undertook a study to understand the impact of revisions in data for ICI on IIP, in respect of two items of the ICI, namely (i) Petroleum Refinery products and (ii) Steel, which mainly contributed to the
revision in ICI data, and submitted a report to the NSC. The NSC considered the report in its 71st meeting.

4.11 It was observed that growth rates for the months of 2011-12 using the revised data for each month over the corresponding months of the year 2010-11 (having unrevised data) show very high order of changes as compared to the original growth rates in those months as per IIP. On the other hand, the growth rates for the months of 2012-13 with revision in data over the corresponding months of 2011-12 also with revised data show a significantly lower order of change in growth rates. Similar is the case for the months of 2013-14.

4.12 With reference to the ICI growth rates for the months of February and March 2013 for ‘Petroleum refinery products’ and ‘Steel’ as revised upward in February 2014 and March 2014 respectively, it may be noted that the impact on IIP for the corresponding months was not in the same direction. The difference in the magnitude of changes and also in the direction of changes suggest that there could be a considerable change in the frame size and response pattern at the time of submission of revised data to the DIPP.

4.13 The CSO (ESD) made a presentation, before the NSC in its 71st meeting, on the aforementioned study taken up by them. The study report indicated major reasons for the high order of difference in the revised growth rates vis-à-vis original growth rates, as follows:

a. For the ‘Petroleum Refinery products’ the revision has been applied by the DIPP on ICI on account of receipt of additional data from Reliance Industries Limited (RIL), Special Economic Zone (SEZ) which were included to revise the data retrospectively. IIP data do not contain or include RIL, SEZ data as the same were not available in the IIP base year (2004-05). The non-inclusion of RIL, SEZ data in IIP is a deficiency.

b. The JPC covers 21 items for reporting for the purpose of IIP, the combined weight of which is 9.21% in the IIP basket. Data on a subset of 14 items of this is reported for the purpose of ICI which has a weight of 6.68% in the overall IIP. However the exact coverage of these 14 items in terms of nature of the products has significant difference in case of ICI when compared with the corresponding items of IIP, though their combined weight (6.68%) has been taken in ICI as per IIP weighting diagram.

c. It has been observed that JPC has provided revised data for the ICI even beyond the scheduled period of three months by which the data are supposed to be frozen as final. As a result of this kind of revision practice of the JPC, the DIPP has also revised the data retrospectively.
Recommendations of the Commission

4.14 While reiterating the recommendations given in para-4.8, the NSC, on the basis of the aforementioned study, made further recommendations, as follows:

(1) With regard to the coverage in the IIP, the deficiency of not including RIL, SEZ data in the IIP should be overcome in the proposed revision of IIP.

(2) It was noticed that data coverage in the IIP is partly on census basis and partly on fixed sample basis. There could be problems in interpretation when these two components are put together. The CSO (ESD) may study this aspect in detail on the basis of international standards/practices and report to the NSC.

(3) Main problem noticed was delay in receipt of data by the source agencies from the concerned informants and the resultant delay in flow of data to the DIPP and the CSO (ESD). Hence, source agencies may be advised to examine the feasibility of collecting production data under the provisions of the Collection of Statistics Act, 2008 to ensure quality as well as timeliness.

(4) The CSI mentioned that release calendar, for reports (provisional and revised), was arrived at, with the approval of Committee of Secretaries, on the basis of schedule of data flow agreed upon by all the source agencies. Releasing updates on data by some source agencies beyond the agreed timelines is tantamount to not abiding by the decision of the Committee of Secretaries. The CSO (ESD) may flag this issue when the matter is taken up again in the Committee of Secretaries in respect of proposed revision of IIP.

4.15 The above recommendations were forwarded to the CSO (ESD); vide communication no. 4(71)/2014-NSC dated 27th October, 2014.

(Action: MOSPI)

Data flow for ICI and IIP from the Ministry of Steel and the Ministry of Petroleum and Natural Gas

4.16 The officers of the Joint Plant Committee (JPC) under the Ministry of Steel and officers of the Ministry of Petroleum and Natural Gas made presentations, before the NSC in its 71st meeting, on the data collected by them, manner of validation and finalization of data and the problems thereof. It was noted that the problems would be addressed by the CSO (ESD) during their consultation with the JPC. The officers of the JPC expressed difficulties in timely data collection.
Recommendations of the Commission

4.17 On the basis of the inputs provided, the NSC made the following recommendations:

(1) The JPC may take up the matter with the Ministry of Steel to authorize them to collect data under the provisions of the Collection of Statistics Act, 2008.
(2) The JPC may collect data from alternative sources, such as steel plants in respect of sale of semi-finished steel and excise & sales tax returns in respect of production.
(3) With regard to estimation of output as a fixed ratio of throughput in refineries, the NSC suggested that the Ministry of Petroleum & Natural Gas may directly get the data on output from the refineries.

4.18 The above recommendations were forwarded to the Ministry of Steel, the JPC and the Ministry of Petroleum & Natural Gas; vide communication no. 4(71)/2014-NSC dated 27th October, 2014.

(Action: Ministry of Steel, Ministry of Petroleum & Natural Gas)

Wholesale Price Indices

4.19 The Office of the Economic Adviser in the Department of Industrial Policy and Promotion (DIPP) compiles Wholesale Price Indices (WPI). A Working Group was constituted by the DIPP, to look into methodological aspects on the revision of base year for the WPI, under the Chairmanship of Dr. Saumitra Chaudhuri, the then Member of the Planning Commission. With a view to have a convergence in respect of the item baskets for the IIP and the WPI, the MOSPI constituted another Working Group under the same chairman, for achieving the same purpose in respect of the IIP. Both the Working Groups have submitted their reports.

4.20 The Working Group on IIP has recommended the following, in respect of the WPI:

(a) In India, PPI has not been introduced so far in the national system. Hence, the Wholesale Price Index (WPI) will be used as deflator, as in the past series.
(b) It was also decided to synchronize the item baskets of WPI and IIP so as to have the best possible mapping, resulting in availability of appropriate deflator for each item group in the new series.
(c) It has now been recommended that the WPI will not include Central Excise Duty or indeed any State or Central Taxes, which brings it in terms of concept, closer to the Producer Prices. This will make the process of deflation of current price based value of output data more robust.
4.21 The above recommendations made by the Working Group on IIP in respect of WPI related matters have been noted by the officers of the DIPP. In order to facilitate the WPI item basket with base year of 2011-12, the CSO has shared its tentative item basket for 2011-12 with the DIPP. List of factories identified from the ASI and the DIPP frames for the tentative item basket of 2011-12 of IIP has also been shared with the DIPP.

4.22 The officers of the DIPP made a presentation, before the NSC in its 72nd meeting, on the report of the Working Group on revision of WPI and on the action taken till then on the recommendations made thereof. The changes proposed to be brought in, in the revision exercise of WPI, have been stated by the representatives of the DIPP in the meeting. In respect of PPI and BSPI, the DIPP reported that separate Committees have been constituted to look into methodological aspects.

4.23 From the report of the Working Group and the presentation made in the 72nd NSC meeting, the NSC noted inter alia that -

(1) the new base year for WPI will be 2011-12;
(2) the number of commodities in the basket for new series is provisionally fixed at 947, which will be finalized soon;
(3) a provisional weighting diagram has been prepared and it will be firmed up soon;
(4) the new index will be monthly, as is the case for the present one;
(5) for the first time, geometric mean will be taken in respect of price relatives;
(6) in case of Electricity major group, the value of output for electricity would be determined by using the generation of electricity and the All India Average rate of sale of power on the basis of data collected from various power utilities (central, state, private) in the country on annual basis by the Central Electricity Authority;
(7) the items under manufacturing sector have been aligned with the IIP basket to the extent feasible;
(8) seasonal items, if traded, would be covered throughout the year; and
(9) fixed base index system would be continued and base revision exercise would be carried out every five years.

Recommendations of the Commission

4.24 The NSC accepted the report of the Working Group and made further recommendations as follows:

(1) The CSO (NAD) may assist in the required back series of National Accounts with base 2011-12 to the DIPP, for facilitating the use of the figures in constructing weighting diagram for WPI new series.
(2) Sources of data collection for WPI in respect of agricultural commodities may be carefully fixed in consultation with the Ministry.
of Agriculture, particularly in the context of the likelihood of de-notifying mandis. Commodity exchanges and other possible sources should also be considered.

(3) It would be desirable to follow the NIC in respect of classification of items in WPI, as the SNA framework and the National Accounts follow the NIC. Users, particularly those who use some components of WPI as deflators, also may prefer the DIPP following NIC. In view of this, placing crude petroleum under Fuel and Power Major Group requires reconsideration. The recommendation of the Working Group in respect of coal may also be revisited for similar reasons. In case, fuel minerals are proposed to be covered under Fuel and Power Major Group, weight adjustments have to be carried out very carefully and the indices for the items, so shifted, may need to be compiled separately within the major group to make the system user friendly.

(4) The approach followed in respect of electricity sector in taking average rate of sale would be suitable to be adapted in situations where a commodity is sold in its different dimensions in different seasons depending on demand. Switching over to this approach, instead of sticking to a predetermined set of specifications, for such commodities will facilitate better response and effective data collection. This approach may be followed along with the existing approach for about a year or so and if the new approach is working well, the existing approach may be discontinued.

(5) In case of items being produced by more than one factory, the CSO (ESD) may furnish to the DIPP the details of the list frame including identification codes and the relative share in output of each factory among factories producing that item in the descending order. The DIPP may apply suitable criteria to select factories for coverage and for keeping in the reserve list.

(6) While fixing sources for data collection, the requirements of ensuring representativeness and capturing price differentials across the country, along with feasibility, may be kept in view.

(7) Integration of data collection and the relevant protocols may be worked out by the DIPP in consultation with the CSO (ESD) in respect of data collection for the WPI and the IIP from the common set of informants (items for coverage need not be common).

(8) The Central Government has declared a National Data Sharing and Accessibility Policy, which was published in the Gazette of India (Weekly) Part I-Section 1, Reference No. 501GI/2011, Issue No. 11, dated 17th March 2012. The DIPP needs to place WPI data in the public domain in accordance with this Policy.

4.25 The aforementioned recommendations were forwarded to the Office of the Economic Adviser, CSO (ESD), and CSO (NAD), vide communication no. 4(72)/2014-NSC dated 4th December, 2014.

(Action: DIPP, MOSPI)
Mining Sector Statistics

4.26 Mining and Quarrying sector is an important component of the Indian economy, with India having significant reserves of Coal, Bauxite, Natural Gas, and Chromite among other major minerals. Though the share of mining sector in GDP is relatively small, its importance cannot be undermined due to the usage of minerals as basic goods/input items in several other sectors of the economy, such as coal for power generation.

4.27 The officers of the CSO (NAD) and the CSO (ESD) made presentations, before the NSC in its 71st meeting, on the status of mining sector statistics. It was noted that statistics on mining sector and related activities encompass a number of Departments, at the Centre and in the States.

4.28 At the Centre, different segments of mining are handled in the Ministry of Mines, Ministry of Steel, Ministry of Petroleum and Natural Gas, Ministry of Coal and Department of Atomic Energy. Related activities, such as manufacturing, construction and trading are handled in the DIPP, the Ministry of Micro, Small & Medium Enterprises, the Ministry of Urban Development (National Buildings Organisation) and the Department of Commerce. Matters relating to workforce engaged in mining are handled in the Ministry of Labour and Employment. There is no unified approach for collection and collation/integration of data from these sources. Regulation of mines and mineral development not covered in the Union List (7th Schedule to the Constitution) are handled by the States and these relate to minor minerals. The manner in which States make estimates on minor minerals seems to be not available centrally.

4.29 Intermediate consumption among mining, construction, manufacturing and trading activities seem to have not been properly linked in the methodology followed in national accounts. Prime facie, there appears to be a double omission. The position is also not clear in the manner in which Input-Output tables are prepared, as some of the related activities may appear under residuary category ‘others’. No benchmark survey seems to have been conducted by the Centre or the States to address these problems.

4.30 One of the most challenging issues in India’s mining sector is the lack of assessment of India’s natural resources. A number of areas remain unexplored and the mineral resources in these areas are yet to be assessed. The distribution of minerals in the areas known is uneven and varies drastically from one region to another.

Recommendations of the Commission

4.31 In view of the aforementioned problems, the NSC made the following recommendations:
The NSC expressed concern over the manner in which the CSO (NAD) has been compiling national accounts in respect of the mining sector and related activities. It was observed that the GVA is not being properly computed in respect of this sector, as the input cost in respect of a segment is being assumed to be in the same ratio for other segments in the sector. The NSC felt that since there are large mining companies, obtaining GVA may not be a big problem. The NSC desired that the NAD may put up a note, on the deficiencies and changes to be brought in, in the methodology, to the Advisory Committee on National Accounts.

The Ministry of Mines may consult the Department of Space to explore the possibility of assessing surface mining, in terms of resources available and those that are already tapped (including illegal mining), using satellite images data.

The mining sector statistics should ideally include all activities in the form of a life cycle, starting from mining, related construction, manufacturing, and trade etc. Since, these aspects are handled in a number of Ministries at the Centre and in the States; it is desirable that the CSO (ESD) brings out a manual to lay down a conceptual and methodological framework and statistical products that need to be brought out by different Ministries at the Centre and the States.

4.32 The aforementioned recommendations were forwarded to the Secretary, Ministry of Mines, the CSO (NAD), and the CSO (ESD); vide communication no. 4(71)/2014-NSC dated 27th October, 2014.

(Action: Ministry of Mines, MOSPI)

Working Class Family Income & Expenditure Survey

4.33 The Labour Bureau, under the Ministry of Labour and Employment, vide DO letter no. 23/3/2013-CPI-IW (NS) dated 9-1-2014, made a proposal to carry out a Working Class Family Income & Expenditure Survey (WCFI&ES), as a part of the revision exercise of the CPI-IW. The proposal was considered by the NSC, in the light of the ‘Guidelines on conducting statistical surveys’ notified by the MOSPI, vide Notification No. 232 dated 5th December 2011 published in the Gazette of India Extraordinary Part-III Section-4. The proposal was concurred with by the NSC, subject to certain conditions and the directions of the NSC were communicated to the Labour Bureau on 19th February, 2014. One of the conditions was that the Labour Bureau may, in consultation with the TAC-SPCL, formulate methodology for conducting the proposed survey and present to the NSC for its concurrence and the survey shall be carried out in accordance with the methodology finally approved by the NSC.

4.34 In view of the above, the Labour Bureau, vide DO No. 23/3/2013-CPI-IW (NS) dated 10-11-2014, submitted a detailed proposal on methodology for
the conduct of WCFI&ES for consideration of the NSC. The officers of the Labour Bureau made a presentation before the NSC in its 72nd meeting.

4.35 Based on the material furnished and the presentation made by the Labour Bureau in the 72nd NSC meeting, the NSC noted inter alia the following points:

1. The Index Review Committee under the chairmanship of Prof. G.K. Chadha looked into methodological issues including base revision for the WCFI&ES.
2. Details of sampling design and survey instruments for the WCFI&ES were formulated by the TAC-SPCL.
3. On the basis of the recommendations of the two Committees, the Labour Bureau proposed certain changes in the WCFI&ES.
4. The new base year will be 2015 (calendar year).
5. It is proposed to cover two more sectors, namely, Construction and Handlooms, in the WCFI&ES on experimental basis by compiling separate indices for them with a view to eventually integrate them in the CPI-IW.
6. A total of 88 centres are proposed to be covered, which include 23 new centres and exclude 13 existing centres.
7. A minimum sample size for a centre is proposed to be kept fixed at 216 for family budget enquiry and 84 for house rent survey (@ 18 and 7 per month) for operational convenience. Uniform Sample size of 216 was proposed for experimental coverage of Handloom & Construction sectors by treating these sectors as independent entities.
8. Fixed base method will be used for compiling CPI-IW, except in case of house rent, where chain base method will be used.
9. Steps have been initiated to provide adequate resources to the NSSO (FOD) to conduct the survey.

Recommendations of the Commission

4.36 The NSC approved the survey instruments proposed by the Labour Bureau for the conduct of the WCFI&ES, subject to the following conditions:

1. The details of centres to be covered in the States of Telangana and Andhra Pradesh may be finalized in consultation with the respective State Governments.
2. A formal reference may be made by the Labour Bureau to the Nodal Officer (under the Collection of Statistics Rules, 2011) with a request to certify that the proposed survey if conducted would not amount to unnecessary duplication. A copy of the Certificate of the Nodal Officer may be furnished to the NSC.
3. Appropriate steps may be taken to capture enough data on house rent.
(4) The Labour Bureau may consider separate indices for handloom and construction workers, instead of integrating them in the CPI-IW, since there are significant differences in the characteristics of such workers.

(5) The Central Government has declared a National Data Sharing and Accessibility Policy, which was published in the Gazette of India (Weekly) Part I-Section 1, Reference No. 501GI/2011, Issue No. 11, dated 17th March 2012. The Labour Bureau needs to place its data in the public domain, in accordance with this Policy. It was further suggested that the Labour Bureau may place the indices and data in the public domain, as soon as the indices were placed before the Standing Tripartite Committee. In case of any difficulty in releasing indices/data, the matter may be brought before the NSC.

(6) The base revision exercise should be taken up once in five years, keeping in view the fact that the Laspeyre’s index has an upward bias. The base year should be aligned in future to the survey year in which the NSSO conducts quinquennial round on consumer expenditure survey.

4.37 The aforementioned recommendations were forwarded to the Director General, Labour Bureau, vide communication no. 4(72)/2014-NSC dated 4th December, 2014.

(Action: Ministry of Labour and Employment)

Survey of skill and vocational training providers

4.38 The National Skill Development Agency (NSDA), set up in June, 2013 under the Department of Economic Affairs as an autonomous body (registered as a Society under the Society’s Registration Act 1860) with the mandate to co-ordinate and harmonise the skill development activities in the country, is now a part of the Ministry of Skill Development & Entrepreneurship.

4.39 The NSDA has initiated the process for development of Labour Market Information System (LMIS) and the Department of Economic Affairs constituted a Steering Committee under the chairmanship of the Chairman, NSDA to facilitate the process. The Steering Committee, in its first meeting held on 25th October 2013, identified that a request for survey on Vocational Training Providers (VTPs) is to be made to the NSC. In the meeting, the Steering Committee felt that a system for creating a directory of all training providers would be set up, from which it can be inferred that a frame of VTPs would be available in due course.

4.40 The Director General, NSDA, vide DO letter no. 24003/02/2013-NSDA dated 5-12-2013, addressed to the Chairperson, NSC, requested that a survey of skill and vocational training providers (SVTPs) be included as part of the regular surveys carried out by the NSSO. Later, the NSDA furnished an
approach paper, for consideration by the NSC in its 66th meeting, covering *inter alia* information on the following aspects:

(a) information already available in respect of SVTPs,
(b) the information to be collected through the proposed survey,
(c) informants from whom information is proposed to be collected,
(d) names of Government agencies, who will conduct the survey,
(e) name of the Government agency, who will be responsible for preparing survey methodology,
(f) key parameters proposed to be estimated through the survey, and
(g) the name of the Government agency, who will be the custodian of data for the purpose of dissemination etc.

4.41 The NSDA stated *inter alia* that the proposed survey will cover both the Government and the private SVTPs and that the key parameters, the survey seeks to estimate, would include the following:

a) Existing capacity – both in the Government and private sectors
b) How is this capacity being utilised, and what are the factors determining capacity utilisation?
c) Shortfall in capacity that needs to be met, and time lines for the same
d) Outcomes being achieved, and its bearing on capacity utilisation and mobilisation of candidates
e) How skill development training is being funded – how much is happening outside government space, where private funding is being used?
f) Degree of industry linkage
g) How are different sectors faring in respect of each of the parameters above?

4.42 The Director General, NSDA made a presentation, before the NSC in its 66th meeting, on the proposal to conduct a survey of SVTPs through the NSSO.

Recommendations of the Commission

4.43 After detailed deliberations in the meeting, the NSC made the following recommendations.

(a) Not all the information desired by the NSDA can be collected through sample survey methods that are used by the NSSO. In view of this, the NSDA may need to consider a multipronged approach.

(b) The starting point would be to prepare a list frame of SVTPs. The Sixth Economic Census carried out by the CSO (ESD) may be useful for this purpose. The NSDA may obtain the state-wise directories of establishments engaged in teaching/ training from the CSO (ESD)
and use these to up-date the list already available/ under preparation by them.

(c) This comprehensive list of larger SVTPs can be used to collect the requisite information on a census basis through the state-level machinery, such as the SSDAs and the District Industries Centres.

(d) This would, however, not cover establishments which provide vocational training, but for whom this is not the principal activity. This would include most establishments which provide on-the-job training or have apprenticeship systems. An estimate of the magnitude, and perhaps the occupational skills, may be obtained through the enterprise surveys carried out by the NSSO from time to time. The NSDA may develop a suitable module for collecting the desired data and submit this to the NSC for consideration of including it in the next NSSO enterprise survey. There is urgency in the matter, as the next enterprise survey is scheduled for the year 2015-16.

(e) For information on the demand for training, suitable questions may be framed by the NSDA for possible inclusion in future NSSO household surveys.

(f) The NSDA would need to set up an institutional structure to manage the data that could come in from diverse sources.

4.44 The aforementioned recommendations were forwarded to the Director General, NSDA, vide communication no. 4(66)/2014-NSC dated 1st May, 2014.

(Action: Ministry of Skill Development & Entrepreneurship)

Health Statistics

4.45 At the instance of the NSC, the CSO (SSD) invited a few resource persons to prepare papers on specified themes. Under this arrangement, Dr. Charu Garg contributed a theme paper on health statistics. In her paper, Dr. Charu Garg suggested inter alia 39 core indicators (10 Impact indicators on health status; 9 output/outcome indicators; and 20 input indicators), data sources and related quality issues, in the context of Universal Health Coverage (UHC).

4.46 On the basis of the theme paper, the CSO (SSD) prepared, in consultation with other concerned Ministries, a discussion paper and placed before the NSC in its 73rd meeting. Officers of the CSO (SSD), the Ministry of Health & Family Welfare and Dr. Charu Garg participated in this meeting. Officers of the SSD made a presentation in the meeting.

4.47 The representatives of the Ministry of Health & Family Welfare stated that they have established a Health Management Information System (HMIS) with about 90% coverage at district level, which provides facility-wise monthly information. Since the HMIS includes geo-coding of areas, it facilitates getting information by users on population coverage for each facility or a group of facilities.
4.48 It was recognized during the deliberations in the 73rd NSC meeting that the database on private sector on health parameters is poor. Apart from the NSS, which in future may include more focused coverage on health-related expenditure, there is a need to collect information on regular basis from the private sector hospitals etc. In its 32nd meeting (April 2010), the NSC noted that research orientation should be introduced in the work culture, of the All India Institute of Hygiene and Public Health under the Ministry of Health & Family Welfare, including enhancing their involvement in imparting training to professionals in HMIS and in collecting data from corporate hospitals.

Recommendations of the Commission

4.49 Taking into consideration the aforementioned inputs, the NSC recommended as follows:

(a) The Ministry of Health & Family Welfare may put in place a data collection system, on private sector health statistics, under the provisions of the Collection of Statistics Act, 2008 and the Rules made thereunder.

(b) Informants of data on cause of death may be sensitized about the concepts, classification and other parameters.

(c) Vital statistics for SCs, STs and OBCs need to be produced from the SRS data. If the sample size in a given year is inadequate for estimating the characteristics, possibility of using three years data for estimating them may be explored.

(d) For health insurance data, the Insurance Regulatory and Development Authority (IRDA) may be considered as a source and a regular data flow system may be established in consultation with the IRDA.

(e) It was observed that the registration data on number of doctors and nurses does not take care of deregistration and migration. Ways and means have to be found out to tackle this problem. One method is to provide for periodic renewal of licenses/ submission of periodical returns in the relevant law. The other method could be to obtain this data through a survey or a census. Other alternatives may also be explored. The final aim should be to get data on those who are actually practicing rather than on those who are registered.

(f) The Ministry of Health & Family Welfare may, on the basis of the details given in the theme paper, the Discussion paper and the above suggestions, organize a Workshop of all the user Ministries/ Departments at the Centre and States as well as researchers, to firm up on improvising HMIS and finalise on indicators to be produced as an official commitment, in the context of National Health Policy and the UHC. Quality aspects, additional data requirements, and additional source agencies, that need to be roped in, may also be assessed in the Workshop. Where necessary, participation of States/ UTs in enriching data on regular basis may be ensured.
4.50 The aforementioned recommendations were forwarded to the Secretary, Department of Health & Family Welfare, vide communication no. 4(73)/2014-NSC dated 29th January, 2015.

(Action: Department of Health & Family Welfare)