



Annual Report 2008-09

The National Statistical Commission have the privilege to present their Third 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, 2008 to March 31, 2009.

**National Statistical Commission
New Delhi**

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List of Abbreviations

ADG	Additional Director General
ASI	Annual Survey of Industries
CEB	Census Enumeration Block
CIL	Coal India Limited
CMIE	Centre for Monitoring Indian Economy
CPI	Consumer Price Index
CSI	Chief Statistician of India
CSO	Central Statistical Organisation
DES	Directorate of Economics and Statistics
DG	Director General
DGCI&S	Directorate General of Commercial Intelligence and Statistics
DIPP	Department of Industrial Policy and Promotion
DPD	Data Processing Division
EARAS	Establishment of an Agency for Reporting Agricultural Statistics
FASAL	Forecasting Agricultural output using Space, Agro-meteorological and Land based observations
FOD	Field Operations Division
IBM	Indian Bureau of Mines
ICS	Improvement of Crop Statistics Scheme
IEA	International Energy Agency
IIP	Index of Industrial Production
ISSP	Indian Statistical Strengthening Project
MOSPI	Ministry of Statistics and Programme Implementation
NLC	Neyvelli Lignite Corporation
NSC	National Statistical Commission
NSO	National Statistical Organisation
NSS	National Sample Surveys
NSSO	National Sample Survey Organisation
NSSP	National Strategic Statistical Plan
OCC	Office of Coal Controller
OEA	Office of Economic Adviser
OECD	Organisation for Economic Co-operation and Development
ORGI	Office of the Registrar General of India
RBI	Reserve Bank of India
SCCL	Singareni Collieries Company Limited
SDP	State Domestic Product
SDRD	Survey Design and Research Division

SRS	Sample Registration System
SSI	Small Scale Industries
SSS	State Statistical System
SSSP	State Strategic Statistical Plan
TRS	Timely Reporting Scheme
UFS	Urban Frame Survey
UNSD	United Nations Statistics Division
UT	Union Territory
WPI	Wholesale Price Index

Chapter-I

Composition of the National Statistical Commission

1.1 The National Statistical Commission consists of a part-time Chairman and four part-time Members. Besides, Secretary, Planning Commission is an *ex-officio* member of the Commission. The Chief Statistician of India (CSI) is the Secretary to the Commission.

1.2 The Commission was constituted on 12th July 2006 with Prof. Suresh D. Tendulkar as part-time Chairman and Dr. Padam Singh, Dr. Surjit S. Bhalla, Prof. Amitabh Kundu and Prof. Bikas Sinha as part-time Members. Dr. Pronab Sen has been the Chief Statistician of India since 21st February 2007.

1.3 Prof. Suresh D. Tendulkar, part-time Chairman completed his tenure on attaining the age of 70 years on 15th February, 2009. Steps have been initiated to fill up the vacancy of Chairman in accordance with the procedure laid down. Till the vacancy of Chairman is filled up, Shri Padam Singh, Member was assigned the duties of Chairman vide order dated 16th February, 2009 (Appendix-II) in accordance with the instructions contained in para-3.6 of the Government of India Notification dated 8th May, 2006 (Appendix-I). However, Dr. Padam Singh resigned for the post of Member of the Commission w.e.f 24.03.2009. Subsequently, Prof. Bikas Sinha, Member was assigned the duties of Chairman vide order dated 26.03.2009 (Appendix-III).

Chapter-II

Executive Summary

2.1 The National Statistical Commission considered wide ranging statistical issues through its twelve meetings conducted during the period 2008-09. It had initiated steps to identify core statistics through consultation with Central Ministries, formulated a road-map to review the official statistical systems in the Ministries in a phased manner, opened up measures to address the problem of underestimation of population in the national sample surveys.

2.2 The recommendations made by the Commission during 2008-09 include formulation of the National Strategic Statistical Plan for strengthening the statistical system, releasing estimates in absolute numbers for some key indicators in respect of surveys conducted by the NSSO, compiling and disseminating monthly Wholesale Price Indices in place of weekly indices, reviewing and recommending certain steps for improving the statistical systems in the Ministries of Corporate Affairs and Coal and the DGC&S.

2.3 At the instance of the Commission, a Conference of the Ministers in-charge of Statistics in the States/ Union Territories was held on 8th September 2008 at New Delhi. The Conference was inaugurated by the Hon'ble Prime Minister of India. The Conference provided a forum to understand on how to give primacy to statistics in State Administrations. The Conference was followed up by a regional level conference of the Ministers in-charge of Statistics in the southern States organised by the Government of Karnataka on 26th November 2008.

2.4 The Commission organised a Workshop on conceptual issues relating to measurement of employment and unemployment on 18th December 2008 at New Delhi. The Workshop provided a forum for the experts in the field to review the existing system and suggest steps for improvement.

2.5 On the basis of the recommendations made by the Commission, two important Committees, namely, a high-level Committee on agricultural statistics under the Chairmanship of Dr.A.Vaidyanathan and a Committee on periodical labour force surveys under the Chairmanship of Prof. Amitabh Kundu, Member of the Commission, were set up.

Chapter-III

Working of the Commission

3.1 The Commission is serviced by a small Secretariat. The Secretariat to the Commission comprises two officers of the Indian Statistical Service, one of Senior Administrative Grade and the other of Junior Administrative Grade, with a small compliment of supporting staff. A copy of the order dated 22nd August 2005 of the MOSPI on the sanction of staff strength for the NSC Secretariat is given at Appendix-IV.

Details of Commission's meetings

3.2 The Commission has been holding meetings regularly to deliberate on the issues referred to it and on issues covered under its mandate. Besides, the Commission also had consultations and detailed discussions with various Government Departments and Organisations in the States and at the Centre as well as non-governmental organisations on issues relating to the statistical system.

3.3 The Commission held twelve meetings during the financial year 2008-09 on the following dates.

S. No. of Meeting	Date of Meeting
16	30.4.08
17	6.6.08
18	8.7.08
19	28.7.08
20	27.8.08
21	22.9.08
22	22.10.08

23	21.11.08
24	19.12.08
25	22.01.09
26	12.02.09
27	24.03.09

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

3.5 The NSC submitted its first Annual Report for the financial year 2006-07 to the MOSPI and the Report was tabled in the Lok Sabha on 5-12-2007 and in the Rajya Sabha on 6-12-2007. The second report of the Commission for the financial year 2007-08 was submitted to the MOSPI on 3rd February 2009.

Chapter-IV

Matters under the examination of the NSC

NSC Bill

4.1 The Commission in its 14th meeting held on 15.02.08 cleared a draft National Statistical Commission Bill. Thereafter, the Chief Statistician of India felt that some more clarity on the role and positioning of the Commission in relation to the National Statistical Organisation (NSO) could be obtained. It was decided that Secretary, Planning Commission could be consulted on the issue. However, as the comments from Secretary, Planning Commission were not forthcoming, the draft Bill as approved by the Commission was sent to the MOSPI for further processing.

Core Statistics and general guidelines on official statistics

4.2 Identification of core statistics is one of the important mandates of the Commission and the issue was discussed in the Commission's meetings. The NSC recognized the need to finalize a list of core statistics in consultation with different Ministries and take steps to bring out standards/ manuals on the 'core statistics' so identified, wherever such standards did not exist already. For the purpose, the Chief Statistician of India addressed letters to Secretaries of Central Ministries on 24th February 2009 requesting them to furnish their views. A copy of the letter and the accompanying concept note are given at Appendix-V. The inputs received from the Ministries would be considered by the Commission to formulate a comprehensive list of core statistics.

Review of the official statistical system

4.3 The Commission considered it necessary to review the statistical system especially in the Central Ministries and Departments covering their statistical activities and the resulting statistical products. Such reviews were considered essential to understand the deficiencies and data gaps and to identify the core statistical activities.

4.4 In the context of reviewing the official statistical system, Commission desired that inputs shall be obtained from various Central Ministries/ Departments on the following aspects. It was also decided that each Ministry would be asked to make a presentation in each of the future meetings of the Commission, so that appropriate statistical issues could be framed and addressed expeditiously.

- (a) Administrative Statistics collected regularly (for each case)
 - i. Basis of information flow (Name of statute/ Rules/ regulations etc.) under which data on regular basis are being collected;
 - ii. Copy of the prescribed format along with instructions/ explanatory notes etc. used for filing/receiving returns;
 - iii. Primary agency receiving the returns, frequency of returns, lag, if any, in receipt of returns and methods used for making coverage as complete as possible; degree of compliance;
 - iv. Hierarchy of agencies involved;
 - v. Mechanism for validation/ Scrutiny/ supervision;
 - vi. Methods used for storage, retrieval and processing of the data received;

- vii. Publication of data, its timeliness, periodicity and availability including dissemination policy for unit level data
- (b) For Census and national level sample surveys (for each Census/ Survey)
- i. Name of the Census/ Survey and the agency involved in its conduct;
 - ii. Statistical methodology adopted;
 - iii. Instructions/ questionnaires etc used for the current/ last Census/ survey;
 - iv. Frequency if the Census/ survey is periodical in nature;
 - v. Agencies involved in the census/ survey operations;
 - vi. Methods used for assessing adequacy of coverage, sampling and non-sampling errors;
 - vii. Methods used for storage, validation, retrieval and processing of primary data;
 - viii. Copies of the report of the last Census/ Survey
- (c) Details of other ad-hoc statistics collected and published, including those from secondary sources

4.5 As a follow up of the aforesaid decision of the NSC, letters were addressed by the CSI on 4th August 2008 to five Central Departments, namely, - (1) Animal Husbandry, Dairying and Fisheries, (2) Chemicals and Petrochemicals, (3) Civil Aviation, (4) Coal and (5) Corporate Affairs, requesting them to furnish the aforesaid inputs. Response was received from three Departments, namely, Corporate Affairs, Civil Aviation and Coal. The outcome of the review of the statistical systems in respect of the Ministry of Corporate Affairs and the Ministry of Coal is given in the next Chapter of this Report.

Study on 'Under-Estimation of Population in NSS'

4.6 At the instance of the NSC, Shri S.K.Sinha, retired Director General of the NSSO was appointed as a full-time consultant for a period of six months from 15th July 2008 to conduct a further study on underestimation of population in the NSSO surveys.

4.7 Shri Sinha submitted his report. The main recommendations mentioned in the report are given below: -

- a) The sample selection procedure adopted by the Data Processing Division (DPD)/ Survey Design and Research Division (SDRD) of the NSSO needs to be more transparent and relevant frames used may be made available to researchers on request.
- b) It has been observed and found in earlier studies also that the difference between the census/ projected population figures and the NSS survey estimates are significantly different for urban areas. This is mainly due to errors in the Urban Frame Survey (UFS).
- c) A detailed study need be undertaken by the SDRD to study the pattern and level of urbanization as revealed by the different UFS phases starting from the inception of the UFS and compared with the relevant censuses.
- d) A comparative study may also be undertaken on the average UFS block size and the census for different phases of the UFS taking into account the trend in the number of UFS blocks state-wise and phase-wise which will reveal the relevance of assumption of equal size population of the UFS blocks.
- e) All UFS data need be first computerized by the Field Operations Division (FOD) of the NSSO and then forwarded to the DPD/ SDRD for sample selection.

- f) If the UFS is taken as a better frame for urban areas then adequate manpower be provided to FOD for conduct of the UFS annually as the present practice of completion of a phase in five year cycle leaves much gaps and doubts whether the surveys follow the time frame in that order. It has been found that the UFS is not given priority in the work allocation in the FOD because of shortage of staff and as such the relevant data are not maintained and tabulated properly.
- g) The relevance of UFS as an alternate and detailed frame for urban sample selection need be looked into seriously in the present context of much improvements in the maps of the Census Enumeration Blocks (CEBs) starting from the Census of India 2001.
- h) The much talked integration of UFS and the Census for urban areas has already been studied by several expert groups and the conclusion arrived is that the Census administration prepares the CEBs for urban areas more suitable for the census enumeration and not for the NSS requirements although most of the recently held large scale demographic and health surveys have adopted the census frame rather than the UFS which may be taken seriously by the SDRD to adopt the census CEBs as the frame for NSS surveys for urban areas so that the need for the UFS becomes irrelevant with much more detailed digitization of the CEBs expected to be taken up in the 2011 census;
- i) Since the 2011 census will undertake digitization of geographical boundaries of all Capital Towns/ Cities, it will be appreciated if the NSSO adopts them so that even the conservative argument of continuing the UFS gets reduced to only smaller cities and towns which may be completed within one/ two years by the FOD;
- j) In the changed scenario and improvements in creation and maintenance of the urban CEBs by the census authorities, termination of the UFS by the FOD and adoption of the census as the frame for both rural and urban sample selection by the SDRD/ DPD is recommended.

4.8 The Commission after examining the Study Report of Shri Sinha noted that as the sampling weights play a major role in the population estimates, the effect of multipliers used in the National Sample Surveys (NSS) should be looked into. It was felt that there should be a thorough in-house examination of the issue by the NSSO and the progress thereof should be reported to the Commission. The Commission also made some recommendations in the 26th meeting on using the Census EBs in place of UFS in the 35 towns and cities and this is reported in detail separately in the next Chapter of this Report.

Separate index for Government Employees - reference from the Ministry of Finance.

4.9 A reference was received from the Department of Expenditure, Ministry of Finance vide OM No.1(3)/2008-E.II(B) dated 21.10.08 on compilation of a separate index to regulate the Dearness Allowance and other allowances of Government employees as recommended by the Sixth Central Pay Commission. The Pay Commission had recommended 'National Statistical Commission may be asked to *explore the possibility* of a specific survey covering Government employees *exclusively*, so as to construct a consumption basket representative of Government employees and formulate a separate index' and this recommendation had been accepted by the Government.

4.10 One of the basic reasons for suggesting a separate index for Government Employees by the Pay Commission was that the existing Consumer Price Index (Industrial Workers) covered only specific centers and sectors. It was also observed by the Pay Commission that over 50 percent of the families covered in Delhi in the family income and expenditure survey which formed the basis for the index fell in the class that was less than the minimum earning of Government employees.

4.11 After detailed discussions on the reference, the NSC recommended that for exploring the possibility of conducting a specific survey covering all the Central Government employees, the complete frame of the central government employees covering the number of employees location-wise and group-wise may be obtained from the Department of Expenditure. The Department has been requested to furnish the information accordingly.

4.12 After receiving the information sought from the Department of Expenditure, the NSC would consider the issue further, in consultation with the CSO, Labour Bureau and other experts.

Methodology for population projections for giving absolute numbers in NSS reports

4.13 The issue of bringing out general reports on NSS surveys containing estimates of absolute numbers was recommended by the Commission. The issue of population projections to be used for this purpose was also considered by the Commission. The Office of the Registrar General of India (RGI) was requested to furnish a note on the methodology on population projections along with projections of population. In response to this, the RGI furnished the following information along with a copy of the Report of the Technical Group on Population Projections released by the National Commission on Population in May 2006.

"Population projection is a scientific attempt to look into the future population scenario made under certain assumptions using the available data at that point of time. There are several methods by which projections can be made. One of the widely accepted methods of making population projections is the 'Component Method'. It makes explicit assumptions regarding the components of population growth, i.e., births, deaths and migration. This method is used by the United Nations in the projection

programme. The latest available official projections of India and States (2001-2026) have been made by using the 'Component Method'. The sources of availability of base data on which projections have been made are 2001 Population Census and time series data based on Sample Registration System (SRS). While the age-sex distribution of population and migration data are available from 2001 population census, the fertility and mortality data are available from SRS only. The methodology adopted for making population projections is given in Chapter-2 of the latest official Report of the Technical Group on Population Projections entitled 'Population Projections for India and States 2001-2026 published by the National Commission on Population.'

4.14 Assumptions used in making population projection and their probability of adhering in future, forms a critical input in the mathematical effort. Predicting the future course of human fertility and mortality is not easy, especially when looking beyond much further in time.

4.15 Commission desired that for the time being the NSS could use the population projections made by the Technical Group along with appropriate interpolations and survey based distributions while preparing estimates of absolute numbers under various categories. The issues of standardizing the methodology and periodicity for making population projections for official purposes and the assumptions on fertility, mortality and migration to be made for the purpose, duly prescribing the level of disaggregating at which the projections should be made available, would be examined by the Commission subsequently.

Chapter-V

Recommendations made by the NSC during 2008-09

National Strategic Statistical Plan (NSSP)

5.1 As a part of the India Statistical Strengthening Project (ISSP), the MOSPI submitted a draft National Strategic Statistical Plan (NSSP) for consideration of the Commission. The Commission discussed the Plan in detail and approved the objectives and the broad strategy proposed in the document. It gave suggestions that certain parts of the NSSP documents may be revised. The Commission desired that: -

NSSP may define the Indian Official Statistical System to be decentralised and consisting of the National Statistical System involving mostly national level estimates/ aggregates and the State Statistical System (SSS) involving mostly State/ UT level estimates/ aggregates. The NSSP document should reiterate at appropriate points that - (i) SSS is an integral part of the Indian Official Statistical System and there exists two-way dependence of national and state statistical systems so that improvements in State Statistical Systems are critical to the improvements in National Statistical System and vice-versa; (ii) Directorates of Economics & Statistics (DES) need to be empowered to play the nodal role in the State Statistical Systems; (iii) with reference to administrative statistics, it is necessary to put in place appropriate internal procedures and communication channels in regard to administrative records so as to enable their transformation into administrative statistics beginning with primary recording of data that is computer compatible, mechanisms of

sample validation of administrative statistics, their efficient storage at various geographical levels and setting up retrieval procedures for their aggregation, tabulation and dissemination, while meeting the criteria of timeliness, reliability, quality and completeness.

5.2 The National Statistical Commission under the chairmanship of Dr. C. Rangarajan had noted that the resolution of the central issue of weaknesses in the administrative statistics will lead to effectiveness and improvement in all aspects of state statistical system. Independent of the resolution of this central issue, certain steps were proposed by the Commission to bring about a positive change in the functioning of the SSS. Some of these, relevant in the context of the ISSP are: -

(a) Enhancing the usefulness of the SSS to State Governments.

(b) Operational Issues: The SSS will have to change the way in which the production of statistics from the 'current fixed- product' approach. This in-turn requires sharing of data maintained by one department with other departments through agreed upon protocols, central storehouse of unit level data of all departments and identification of essential common data elements in all data collection forms used by various administrative agencies.

(c) Computerization of administrative statistics and development of appropriate mechanisms within these computerized systems to feed the DES with the necessary data.

(d) Strengthening of survey capability in DES: Capacity to organize large-scale surveys, use of advanced software for its processing and report generation is a measure of the overall statistical capacity of the DES. Many of the states are yet to develop advanced capabilities for survey data processing. This capability can be built through training and induction of computer hardware and software.

(e) Development of Analytical Capabilities: To enable the DES to produce the required statistics, analytical capability of the staff has to be upgraded.

5.3 The principles and practices suggested for putting the Plan in to effect shall in all cases be in consonance with the need to maintain neutrality of the official statistics as brought out in the United Nations Fundamental Principles of Official Statistics. While emphasizing policy-driven, outcome-oriented user-friendly orientation of official statistics, it is equally necessary to underline the need for their neutrality, objectivity, reliability and timeliness so as to ensure their credibility in the eyes of the official and non-official users. Accordingly the NSC opined that the following points need to be suitably incorporated in the Plan.

- a. A significant shift in approach from 'outlays-centered' to 'outputs and outcome-oriented' approach.
- b. Data/ information to be no longer treated just as a raw material; instead, to be viewed as a precious resource and hence, calls for timely processing, value addition and user friendly dissemination without compromising neutrality and objectivity.
- c. Statistical Organizations would develop sustainable methods to exploit more of administrative statistics to reduce reliance on new sample surveys and also enhance the scope and coverage of existing surveys to meet demands.
- d. Critically review the statistical activities and statistical products to identify and eliminate avoidable redundancies and duplications and redirect the resources thus released towards new activities.

- e. Effectively address the problem of respondent burden and more user friendly data collection instruments in data collection processes.
- f. Statistics produced and disseminated must be, as far as possible, policy relevant and administrator-friendly, in particular and user-friendly, in general while maintaining their professional integrity, reliability and timeliness.
- g. Statistical organizations are to improve their levels of visibility through effective interactions with stake holders.
- h. The statistical organizations would need to critically pay attention to the issues relating to inadequate IT hardware and software and IT skills, IT absorption, including Networking and Connectivity.
- i. Develop effective mechanisms for consultation with stake-holders in statistical organizations

5.4 The aforesaid comments/ suggestions of the Commission on the National Strategic Statistical Plan were forwarded to the DG, CSO for necessary action vide NSC Secretariat Note No. 4(16)/2008-NSC dated 6th May 2008.

Report of the Independent Group on Home-based Workers

5.5 In January 2007, while inaugurating the South Asian Regional Conference on Home-based Workers, the Prime Minister referred to the statistical invisibility of home-based workers in the national statistics of the country. In this background, the MOSPI constituted in May 2007 an Independent Group on Home-based Workers, under the chairmanship of Dr. N. S. Sastry, retired Director General of the NSSO with a few other stake-holders to examine the existing data sources and suggest means to capture the data related to home-based workers. The terms of reference of the Group were the following:

- (i) To firm up the concepts and definitions of home-based workers and their categories for data collection purpose.
- (ii) To provide a framework for key tabulations and analysis of available data on home-based workers from surveys on employment and unemployment, unorganized/ informal sectors and economic censuses.
- (iii) To identify data needs, assess the available data sources and specify data gaps and make recommendations on pilot data collection programmes for filling these gaps in respect of home-based workers.

5.6 The report submitted by the Group was placed before the NSC by the MOSPI. The Report was presented before the Commission by Dr.N.S.Sastry, Chairman of the Group and Dr. Jeemol Unni and Dr. Gita Gupta, Members of the Group. The background of the evolution of the concept of home-based workers, need to standardize the concepts and definitions of 'home-based workers', and the recommendations of the Group on the definitions and suggestions to introduce the relevant questions in the NSSO labour force surveys and Census as also in specific sectoral studies were highlighted during the presentation. The Commission recommended that the report may be placed in the official website of the MOSPI to elicit expert opinion, before the inclusion of relevant questions in the surveys could be considered by the Commission. The DG, CSO was informed of the recommendation of the Commission.

General Reports of NSSO

5.7 The NSSO has been providing estimates in the form of rates and ratios on important economic parameters in its reports. The issue of providing estimates in the form of absolute numbers for some key indicators in the NSS reports was considered by the NSC. It was noted that there is no need to alter the sampling weights in the basic data so as to make NSS estimates of absolute numbers

match with the projected population totals under different classes; but it would be useful to provide absolute numbers based on projected population totals in the reports. Thus, there should be a general report for each NSS round of surveys, that would provide a macro picture of the subject surveyed. It was decided that a general report could be brought out covering the themes on which there would be detailed reports as at present. Further, detailed tables as per the tabulation plan could also be made available to users along with the general report. The decision was communicated along with a framework in respect of employment-unemployment survey to the DG, NSSO and the ADG (SDRD) with a request to inform the Steering Committee and the Working Group on NSS about the decision of the Commission. A copy of the communication sent to the DG, NSSO on 9th July 2008 is placed at Appendix -VI.

Need for periodical surveys on employment-unemployment

5.8 At the instance of the NSC, a Workshop on conceptual issues relating to measurement of employment and unemployment was conducted at New Delhi on 18th December 2008. A general consensus emerged in the workshop was that there is a requirement for periodic employment and unemployment data besides the data emanating from quinquennial labour force surveys of the NSSO. The Commission also considered the report of the Committee on an Independent Survey on Employment-Unemployment received from NSSO.

5.9 The Commission discussed the proceedings of the aforesaid workshop as also the issues of sampling, subject coverage, fieldwork etc in the conduct of periodic labour force surveys especially in the light of the practices in a few other countries. It was informed by the DG (NSSO) that due to the existing resource constraints, the NSSO will not be able to carry out the proposed survey as a new item of work. Chairman was of the view that the survey could be considered for the urban areas to start with, and a new mechanism for organizing such surveys

should be thought of. It was also recognized that the conceptual basis for measuring employment and the reference period for the proposed survey needs to be reexamined in relation to the current employment surveys. As the basic objective would be to measure periodic changes, a rotational panel survey as adopted by most countries would be the appropriate survey procedure.

5.10 The Commission after deliberations made the following recommendations:

1. Monthly/quarterly labour force data at the national and state levels is essential to understand the changes in the labour force and necessary steps should be taken to establish the framework for conducting these surveys
2. To start with, these surveys should be limited to urban areas
3. A detailed proposal for conducting the survey should be prepared by a group of experts
4. The group of experts would examine the following issues:
 - i) the minimum set of items on which data are to be collected in the monthly/quarterly surveys
 - ii) the mechanism for data collection, processing and dissemination
 - iii) Survey design and methodology and concepts to be used for measuring employment and unemployment

5.11 This group would be headed by Prof. Amitabh Kundu and will have representatives from Ministry of Labour, Department of Economic Affairs and NSSO and the ISI. Dr Surjit Bhalla and Prof. Bikas Sinha would also provide necessary inputs. The Group was subsequently officially constituted. A copy of the order dated 24th February 2009 constituting the Group is placed at Appendix -VII.

Wholesale Price Index (WPI)

5.12 The price indices in the system of economic statistics are closely watched indicators of macro-economic performances. They are direct indicators of the purchasing power of money in various types of transactions involving goods and services. As such, they are also used as deflators in providing summary measures of the volume of goods and services produced and consumed. Consequently, these indices are important tools in the design and conduct of the monetary and fiscal policy of the Government, and also of great utility in taking economic decisions throughout the private sector.

5.13 Relevant extracts of the report of the National Statistical Commission under the Chairmanship of Dr.C.Rangarajan on WPI issues are given below.

"The Wholesale Price Index (WPI) series is compiled by the Office of Economic Adviser (OEA), Ministry of Industry, on a weekly basis, based on the price quotations collected by the official as well as non-official source agencies in respect of 435 selected items and commodities identified in the basket of the index. Owing to the wide variety of sources, centres, and specifications and due to the practical compulsion of collecting data by the voluntary method, it is difficult to maintain uniformity in the concept of wholesale price in the collection of price data.

The commonly-used measure of inflation in the Indian economy is based on the WPI. As WPI measures the price change at the level of either the wholesaler or the producer and does not take into account retail margins, it thus represents the production side and not the consumption side. For a true measure of inflation, it is necessary to

measure the changes in the prices, only at the final stage of transaction."

Key Recommendations on WPI made by Rangarajan Commission

"(i) In order to obtain uniformity in the collection of wholesale price data, the Office of the Economic Adviser should explore the possibility of engaging exclusive staff for a weekly collection of price data. There should be a direct system of data collection to eliminate problems of non-response in the mail method.

(ii) An Expert Committee should be constituted to go into the quality aspects of WPI price data. To make the system transparent, the Office of Economic Adviser should make available detailed data to other Government agencies for official use.

(iii) To capture the recent changes in industrial structure on account of liberalisation and globalisation, there is a need to have periodic revisions of WPI numbers, preferably every five years but not later than ten years. The proposed revision should bring base years of WPI and CPI numbers much closer to each other.

(iv) A separate Services Sector Index should be developed, initially as a complement to the WPI. It should be merged with the WPI, once it has stabilised and established its robustness.

(v) As the present WPI is an inadequate measure of inflation; there is a need for a separate index for measurement of inflation in the economy. The proposed CPI for the rural and urban areas could be used for this purpose.

(vi) There is a need to unify the system of price data collection in such a way that the proposed mechanism should take into account the requirements of, at least, all central agencies compiling the price indices. The proposed system should be streamlined and strengthened in such a way that effective participation of both the Central and the State Agencies is ensured. The system would also facilitate the compilation of CPI for rural and urban areas with a substantial saving on the cost of price data collection. For speedier transmission of price data, appropriate tools of information technology should be deployed.”

5.14 The NSC looked into various issues relating to the compilation of the Wholesale Price Index. Office of the Economic Adviser, Department of Industrial Policy and Promotion (DIPP), Ministry of Industry and Commerce made a presentation on 13th June 2007 before the NSC on various issues involved in the compiling of Wholesale Price Index (WPI). In the presentations made by the DIPP, the key suggestions/ issues that came up were as follows:

- (1) The need to consider the weekly index vis-à-vis the alternate monthly release of WPI in order to improve its reliability.
- (2) Publishing a de-seasonalised index
- (3) The base year should be updated to more current period
- (4) The pattern of non-response in getting the price data
- (5) The differences between provisional and final estimates of WPI
- (6) A reliable mechanism for regular price collection

5.15 The NSC also considered the report of the Working Group set up by the Government to revise the base year of the current WPI under the Chairmanship of Prof Abhijit Sen, Member, Planning Commission and deliberated on the problems involved in the proposed WPI with the new base year 2004-05 as proposed by the Working Group. Two basic problems that came to the fore in

this context were the substantial non-response in getting weekly prices, especially for the manufactured products from the responding units and the absence of a reliable mechanism for regular collection of price data for the new index. The Commission discussed at length the issues of non-response from the data supplying units and the measures for establishing a mechanism for price data collection for the weekly index. The practice of continuing with a weekly price index in the face of limited reliable weekly price data also attracted considerable discussion. It was noted that the problem of non-response was particularly serious in the case of manufactured products. However, it was also observed that week-to-week variation in the prices of manufactured products was not expected to be significant.

5.16 Two-fold issues arose in the case of the new WPI with base 2004-05, namely: - (a) collection of past weekly wholesale prices from 2004-05 to the present for the revised item basket; and (b) system of regular collection of prices at a given frequency in future. With regard to the former, as per the arrangements agreed between the Office of the Economic Adviser and the NSSO, Commission was informed that the Field Operations Division of the NSSO would issue notices to the units under the Collection of Statistics Act, 1953 from which product level price data were required. With its available resources, the NSSO would assist in the data collection from at least five units for a single product. They would also pursue with the units for timely submission of price data. As a back-up for the years 2004-05 and 2005-6, the ASI returns would be scrutinized for examining the possibility of arriving at average yearly prices for these products. With regard to the latter, the DIPP informed that they were putting in place a mechanism in which wholesale prices of manufactured products would be received directly from producers through different communication channels.

5.17 Thus the Commission noted the main problems in compilation of WPI as:

- Poor response rate
- Difficulties in getting price updates on a weekly basis
- In the absence of price updates for current week, previous week's prices are repeated for arbitrarily long periods
- Price changes are not notified promptly by the reporting units
- No legal framework for collection of price data
- No field agency for collection of data

5.18 Therefore, switching over to a monthly index would improve the quality of the index, since longer period would give scope to improve response rate through better scrutiny and follow up. Secondly, there is scope for generating a weekly index for only primary commodities and fuel group (in which case the response rate was fairly high). This would help in weekly monitoring of prices of agricultural and fuel commodities, whose prices are more volatile.

5.19 The NSC subsequently also had consultations with the officers of the Reserve Bank of India (RBI) and the Ministry of Finance, two of the key official users of the WPI. Considering all the aspects of compiling the WPI, the NSC recommended as follows: -

- (1) The compilation and release of WPI on a monthly basis as is the widely followed international practice. This is also expected to help improve the response rate particularly of manufactured products at the provisional stage and also provide longer time for effective follow-up of non-reported prices at the provisional stage.
- (2) The WPI corresponding to a month should be released at 5.00 PM on 15th day of the next month or the next working day if the 15th is a holiday.

- (3) The prices for the manufactured products would correspond to the 15th of the reference month.
- (4) Prices quoted for the primary articles would correspond to the 15th of the month or the day closest to the 15th of the month.
- (5) The index released would be a provisional index and the final index would be released along with the next month's provisional index.
- (6) The index should be released only up to sub-group level and not below.
- (7) DIPP should put in place a computerized system for scrutiny and validation of price data received and for follow-up of non-reporting price quotations at the time of release.
- (8) As for treatment of non-reported prices, NSC would suggest a procedure of either ascribing zero weight or zero inflation after getting the view of DIPP.
- (9) It is essential to release seasonally adjusted index along with the actual index and the inflation rate should be calculated on a month-on-month basis. NSC would suggest a procedure for seasonal adjustment after receiving suggestions from the Office of the Economic Advisor.
- (10) The WPI and the inflation rate should be released with single digit decimal.

5.20 The recommendations of the Commission regarding the Wholesale Price Index were communicated to the Secretary, DIPP vide letter dated 31st July 2008 (Appendix-VIII).

Review of Agricultural Statistics

5.21 The Commission reviewed the agricultural statistics system of the Directorate of Economics and Statistics (DES) in the Department of Agriculture

and Cooperation on the basis of the inputs received from Dr. S.M. Jharwal, Principal Advisor of that Department and his team of officers and the views of experts in the field like Dr. A. Vaidyanathan on issues relating to agricultural statistics especially the possibilities of using remote sensing data. Dr. Jharwal made a detailed presentation covering the current status of crop statistics and different schemes for improving agricultural statistics like the Improvement of Crop Statistics (ICS), Establishment of an Agency for Reporting Agricultural Statistics (EARAS), Timely Reporting Scheme (TRS) and Crop Estimation Survey on fruits and vegetables. Use of remote sensing applications and the scheme of FASAL for crop forecasting using space, agro-meteorology and land observations were also considered by the Commission.

5.22 It was reported by the DES officials that ground-truthing, which is an integral part of remote sensing applications, requires additional manpower. One of the suggestions given by Additional Director General, FOD, was to utilize the staff of ICS Scheme for ground-truthing as it was felt that the reports based on ICS Scheme were not being used. However, the DES was not in favour of curtailing the ICS Scheme.

5.23 Having considered various issues on agricultural statistics and the applications of remote sensing, the Commission recommended that a high level expert committee may be set up under the Chairmanship of Dr A. Vaidyanathan comprising experts from the field of statistics, remote sensing and officials from key agencies involved in agricultural statistics including the agricultural statistics authorities from some of the States. The DES would provide the necessary secretarial assistance for the Committee which will submit its report to the Commission. The terms of reference suggested for the Committee are:

- i) review the current methodology used in TRS, ICS and EARAS to estimate land use, crop-wise area, irrigated area, yield and production;
- ii) assess the problems in ensuring that prescribed methodology, organization and procedures for collection and validation of the data are followed strictly;
- iii) suggest ways to address these problems and ensure reliable and timely availability of estimates;
- iv) review the experience of use of remote sensing for estimating area and yields;
- v) suggest measures, including techniques of ground truth verification, needed to make more extensive use of satellite data for reinforcing and supplementing conventional methods of collecting agricultural data; and
- vi) any other issues relevant for improving agricultural statistics through changes in the existing methodology or through adoption of new methodologies.

5.24 The aforesaid recommendations of the Commission were communicated to the Department of Agriculture and Cooperation vide letter no.4(20)/2008-NSC dated 4th September 2008. The Department constituted a Committee vide its order 8-2/2007-AS-ES dated 26th February 2009 (Appendix-IX).

Review of coal statistics

5.25 The Ministry of Coal has the overall responsibility of determining policies and strategies in respect of exploration and development of coal and lignite reserves and all matters relating to coal production, supply, distribution and pricing of coal. These key functions are exercised through its public sector

undertakings, namely, Coal India Limited (CIL) and Neyveli Lignite Corporation (NLC) Limited and Singareni Collieries Company Limited (SCCL).

5.26 The Rangarajan Commission observed that data on the aforesaid sectors should be available, ideally, at frequencies greater than one year and on a zonal and State-wise basis on the following aspects:

- Production levels, both in public and private sectors (wherever relevant);
- Reserves available, appropriately divided into total availability and commercially recoverable;
- Indicators of physical and financial efficiency;
- Use pattern of energy produced by each Sector;
- Relative comparison of energy efficiency of usage and relative costs;
- Value of capital assets in each Sector.

5.27 The Rangarajan Commission recommended that efforts should be made by the concerned Ministries including Ministry of Coal (for coal) to provide data pertaining to Energy Sector (excluding electricity) to the Planning Commission, which should then produce a comprehensive document covering the identified data requirements as well as other emerging requirements.

5.28 The office of the Coal Controller (OCC) furnished the following inputs to facilitate review by the National Statistical Commission.

"The Coal Controller is the statistics authority under the Collection of Statistical Act, 1953 for collection of coal statistics (Annual data). The H.Q. Office of the OCC receives administrative statistical returns (Annual & Monthly) in the prescribed format regularly under the Colliery Control

Rules 2004. While response from Public Companies is 100% in terms of timeliness, returns from some private companies are received delayed. However for annual data 100% compliance is observed.

With regard to the mechanism employed for validation/ Scrutiny/ Supervision, the OCC stated that it is done through data entry and scrutiny of data keeping some scrutiny points in consideration and did not elaborate on it.

The OCC furnishes monthly coal production data to the Prime Minister's Office by 6th of next month. The data is also sent to the M/o Coal for Infrastructure Bulletin of MOSPI by 15th of the next month. Other users of the data are CMIE, RBI, Metal Junction etc. The OCC also reported that there is presently a delay of two months in the release of Monthly Coal Statistics

The OCC sends reports to CSO for IIP (Covering Washed Coal, Middling & Hard Coke), and to IBM for IIP of mineral sector (Coal & Lignite-state wise).

The OCC releases Provisional Coal Statistics (published in every April/ May) to meet urgent data need. While stating that there is no restriction on unit level data dissemination yet, the OCC did not furnish the details of the costs and the modes of obtaining the data by users.

Annual Survey of Coal & Lignite Industries is the name of Census conducted by the OCC every year covering physical asset only through mailed questionnaire and sample check by physical inspection."

5.29 Besides, the OCC furnished necessary inputs on coal statistics to the DES in the Dept. of Agriculture and Cooperation, United Nations Statistics Division (through CSO) and the International Energy Agency (IEA) (for energy balance in case of non-OECD country: India).

5.30 Apart from the data requirements recommended by the Rangarajan Commission, the economic parameters to be measured relating to coal statistics are - Production, Exports and Imports of coal, stocks, common unit for coal statistics, Coal industry's own use of coal, breakdown of final consumption by end use, deliveries of coal to final consumers, coal in use in other conversion industries, coal deliveries to power stations, employment and productivity in coal industry and other aspects needed for natural resource accounting for the sector.

5.31 In the Energy Statistics manual prepared by the Energy Statistics Division (ESD) of the International Energy Agency (IEA) in co-operation with the Statistical Office of the European Communities (Eurostat), various issues relating to energy statistics including coal are covered. It is stated in this manual that the most commonly used format for the presentation of energy commodity data is the balance in which both the sources of supply for each commodity and its uses are shown in a single column. The balance format is conceptually identical to a simple cash account where the sources of income should, when summed, balance the total of expenditures after changes in cash deposits are taken into account.

5.32 Officers from the Ministry of Coal and the OCC made a detailed presentation before the NSC on the statistics relating to coal. The NSC noted the points made by the officials and a summary of the points discussed and the recommendations are noted below.

- (1) The OCC, a subordinate office under the Ministry of Coal, is responsible for collection, compilation and dissemination of coal statistics in the country. Coal Controller is also the Statistics Authority in respect of coal and lignite mines in India under the Collection of Statistics Act
- (2) The OCC collects data on production, dispatch and stock of coal and lignite by different parameters. Though, in case of annual data, coverage is 100% but for monthly data, coverage and timeliness need improvement. NSC observed that in view of the large number of captive coal and lignite blocks coming up, to ensure timeliness and accuracy of monthly reporting, OCC should decentralise its statistical infrastructure and use IT enabled solutions more extensively. The Commission also observed that the format for monthly data collection needs to be standardized.
- (3) Collection of coal production data from Washery and Coke Oven Plant/ Cokeries needs improvement as these are also required for IIP. NSC recommended the preparation of a frame of all washeries at an early date and conduct benchmark surveys on important parameters so as to utilize the same in case all washeries are not covered in monthly reporting for IIP. Similar effort may be made for merchant cokeries, private cookeries besides existing coke plant of integrated steel plants. NSC further suggested that large merchant cokeries and large washeries which wash coal on behalf of power houses etc. may be covered immediately pending entire coverage of the sector.
- (4) Commission observed that import and export data for the coal sector is satisfactory but efforts should be made to reduce the present time lag.

- (5) As for the price data for coal and lignite, only the pit head price data are reported. Commission recommended that a suitable mechanism should be evolved to collect consumer price data.

- (6) OCC informed that the collection of input, output and capital formation data has been suspended for the last few years due to non availability of adequate and suitable statistical manpower for undertaking field surveys. Commission felt that these data are very important for national accounting purpose and OCC should resume the survey at an early date. The OCC informed that once the schedules are finalised after getting technical guidance from National Accounts Division, some work could start, based on the balance sheets collected from CIL, SCCL, NLC and other units without undertaking field survey.

- (7) OCC informed that considering the present workload as well as the suggestions from the Commission, the OCC requires enhanced manpower to the extent of at least one Senior Investigator and one Statistical Assistant in each of its five field offices besides two Senior Investigators, two Statistical Assistants and four Statistical Officers at its head quarters. At present, the OCC has only two officers, one Senior Investigator, two Statistical Assistants at Head Quarter. For this purpose adequate manpower needs to be provided to the OCC.

- (8) It is observed that OCC maintains and disseminate mine wise production and Output per Man Shift (OMS) data but only to Government and Research Institutions. Commission felt that this should be made available to public and a proper database be maintained. The modalities of dissemination may also be furnished in the website.

- (9) NSC further recommended that monthly bulletin be published latest by the end of next month if not before and the Coal Directory be published by September/ October. OCC should upload at least some basic data if not entire data, on its website. CCO should also keep a count of the number of users accessing the web based data. It further recommended that gradually all the publications could be in electronic form so as to reduce expenditure as well as better and quicker availability of data to users.
- (10) The Commission recommended that one section in the 'Coal Summit' may be earmarked for discussion on coal statistics.

5.33 Based on the presentations made by the Ministry of Coal, the views and recommendations of the Commission were forwarded to the Secretary, Ministry of Coal vide letter dated 7^h October 2008.

Corporate sector statistics

5.34 The subject of collection of statistics relating to companies is assigned to the Ministry of Corporate Affairs under the Government of India (Allocation of Business) Rules. Dr. Navrang Saini, Joint Director in the Ministry of Corporate Affairs made a presentation before the Commission about the organisational structure and functions of his Ministry, the progress of the E-governance project called MCA-21 taken up by them and the restrictions on dissemination of information under the Company Law.

5.35 It was informed that there are about 7.5 lakhs companies so far registered under the Companies Act. All the registered companies have been assigned a unique 21-digit identification no., called CIN No., which is used by the companies to file e-returns in the prescribed formats. It was also reported that about 3.25 lakh companies have been assigned digital signatures and on-

line records are available in respect of about 6.33 lakh companies. Besides, about 8.95 lakh Directors have been assigned unique identification nos., called DIN Number.

5.36 It was also mentioned during the presentation that the Government is considering bringing of two new laws, namely, Companies Bill, 2008 and the Limited Liability Partnership Bill, 2008.

5.37 It was noted that among various returns being obtained electronically by the Ministry of Company Affairs, there are two returns - one about the Balance sheet and the other about the Profit and Loss Account of the Company. The information available in these returns has not been put to use so far, for assessing the performance of the corporate sector in terms of various economic parameters. It was also reported that the Ministry has not been receiving returns from all the registered companies.

5.38 It was also noted that the Ministry did not furnish the latest status report on implementation of the Rangarajan Commission recommendations.

5.39 With regard to the dissemination of statistical reports and unit level data, a clear-cut policy, consistent with the Cabinet decision on data dissemination, needs to be evolved.

5.40 Some of the registered companies may be having more than one establishment and the establishments might be registered under other statutes and assigned unique identification Nos. under the Income Tax Law and the Customs & Excise Law. This aspect needs to be studied in detail for preparing a concordance among the various systems of registration, which may be useful in making an effective Business Register and planning data collection in a more organised way.

5.41 The Ministry of Corporate Affairs also administers the Indian Partnership Act, 1932 and the Societies Registration Act, 1860. There is a need to develop a statistical system in respect of these firms.

5.42 The aforesaid recommendations of the NSC were communicated to the Secretary, Ministry of Corporate Affairs vide letter dated 5th November 2008 (Appendix-X) and to the DG, CSO vide letter no. 4(22)/2008-NSC dated 4th November 2008.

5.43 In the context of the presentation, the issue of proper national classification for goods and services came up. A national classification for goods has been developed and is being used by the Customs & Excise Department. However, for services no such national classification exists currently. Commission desired that national classification for both goods and services should be made available by the CSO. The CSI agreed to constitute a new committee for the purpose. Subsequently, an Expert Committee under the Chairmanship of the DG, CSO was constituted by the MOSPI on 12th November 2008 to provide technical guidance for standardization and mapping of economic activity and product codes. The Committee is expected to submit its report within six months after its constitution.

Results of ASI 2005-06

5.44 The Industrial Statistics Wing of the CSO made a presentation before the NSC on the results of the latest ASI for the year 2005-06. The presentation covered the basic results and interstate comparisons. Members suggested that the report should provide growth rates, ratios etc., to make it more informative. It was suggested that Notes to Tables should explicitly indicate the following.

- a) Growth rates of variables measured in rupees are at current prices.
- b) Comparability of growth rates since 2000-01 in terms of inclusion/exclusion of industries from time to time in ASI.
- c) Comparability of growth rates at two digit level over the time-period covered in ASI report.

5.45 Chairman, NSC enquired about the revisions in already released ASI data and whether the revisions were being communicated to the users as and when these were incorporated in the data already disseminated. It was agreed that a mechanism should be put in place to communicate all revisions to the users. This was very important in the case of unit-wise data of ASI being disseminated.

5.46 The views of the commission on the results of ASI 2005-06 were communicated to the DG, CSO vide letter no.4(23)/2008-NSC dated 10th December 2008.

Review of the progress of revision of base for IIP

5.47 The quality of IIP data came up for discussion before the NSC. It was pointed out that the CSO should develop the expertise of computing seasonally adjusted IIP and bring out analytical reports from time to time.

5.48 While reviewing the progress of the IIP with new base year, it was informed that the data in respect of units identified for the base year 1999-2000 for the period 1999-2007 had been collected and sent to CSO for preparing the new index. However divergences were observed in the new index computed using this data and the existing series of IIP with base year 1993-94. Consequently the data sets received from the data sources were reviewed and taking in to account factors items becoming obsolete, low response rate, items

coming under SSI sector etc the item list was revised. The data are planned to be collected through a private agency.

5.49 Besides the difficulties in data collection, there was also the question of increasing use of multi use products, changes in quality, emergence of new products and new production units after the introduction of the new series of IIP. Current IIP followed a fixed weighting diagram, product list and reporting units. A view was expressed that 2004-05 base year should be adopted instead of the proposed 1999-2000. As the revised IIP excludes the un-organized sector, there was a suggestion from the National Accounts Division to include the un-organized sector for preparing the weighting diagram. It was felt that the confidentiality of the production data collected by private agency should be ensured. Ideally the agency should transmit the raw data collected by it without undertaking any kind of processing at their end. This was important as the IIP was a key economic indicator that could impact business decisions as also stock market and adequate safeguards needed to be put on the data collection agency while entering into the contract.

Index of Industrial Production (IIP) of Mining Sector

5.50 A presentation was made by the Indian Bureau of Mines (IBM), Nagpur on the compilation of the production index for the mining sector. Commission noted that though the response rate from the mines for the monthly production data were not very satisfactory, these actually accounted for a very small part of the production in the mining sector. It was also noted that the IIP compiled by the IBM took into account the production by new units and also closure of mines. The Commission recommended that the IBM should prepare the weighting diagram for compiling the mining index with 2004-05 as base year so that the base year for the overall IIP could be revised. The recommendations of the

Commission were communicated to the IBM vide letter no.4(24)/2008-NSC dated 5th January 2009.

Use of Census Enumeration Blocks in NSSO surveys

5.51 The possibility of using Census Enumeration Blocks (EBs) for sampling in urban areas in the socio-economic surveys of the NSSO was considered by the NSC.

5.52 Briefing the NSC on the progress made by the Census Organisation in preparing ward-wise digital maps in each capital city of the country showing buildings, houses, lanes, by-lanes, road network and major landmarks, the Office of the Registrar General of India informed that field survey in more than 200 wards out of a total of about 2,000 wards in different capital cities had been completed. The work of the survey was progressing very well. This would be followed by digitization and linking of data by Survey of India, who would be providing full technical support in implementing the project. The digital maps of capital cities would be used to demarcate Census Enumeration Blocks prepared from aerial photographs or satellite imageries and updated on the basis of field surveys by the Census Directorates located in the States.

5.53 The Commission appreciated the steps being taken by the Census Organisation to digitize the maps having identification of enumeration block (EB) in 33 capital cities in the country in a period of 6 months starting from July 2009, so as to use them in 2011 population census. Once this was done, the population characteristics of 2011 census at the level of EB would be digitally available along with the EB maps in 33 cities. This frame could be used by the NSSO in those cities for their socio-economic surveys instead of using the Urban Frame Survey (UFS) frame. However, in respect of other towns in the country, the NSSO might

explore the possibility of taking similar steps in respect of UFS as was being done by the Census Commissioner's Office in respect of EBs.

5.54 The aforesaid views of the NSC were communicated to the Office of the Registrar General of India and the DG, NSSO vide letter no. 4(26)/2008-NSC dated 23rd February 2008.

Trade Statistics

5.55 Director General, Directorate General of Commercial Intelligence & Statistics (DGCI&S) made a presentation before the NSC on trade statistics compiled by the DGCI&S. The following action points have emerged out of the discussions after the presentation:

- The report of the Expert Committee on trade statistics under the former DG, CSO would be made available to the Commission.
- The latest status of implementation of the recommendations of the Rangarajan Commission on trade statistics would be intimated to the NSC.
- Inter-state trade by road and waterways and identification of trade transactions by source of origin and/ or destination were not being covered adequately in the inland trade statistics. DGCI&S might submit a note on the ways and means of ensuring adequate coverage of these aspects which are eventually important for compilation of Gross State Domestic Product through income accrual method.

5.56 The aforesaid recommendations of the Commission were communicated to the DGCI&S vide letter no. 4(26)/2008-NSC dated 23rd February 2008.

Chapter-VI

Conference of Ministers in-charge of Statistics in States/ Union Territories

6.1 Chairman, NSC addressed a letter to the Prime Minister on the need to impress upon the State Governments to give primacy to statistical activities in the State administration and persuade them to establish an arms-length relationship with the Statistical System on the lines of NSC at the national level in order to maintain credibility in the eyes of private investors and the general public. In the letter, he suggested the holding of a conference of the State Ministers in-charge of Statistics to be inaugurated by the Prime Minister. It was felt that this would also help in giving high level visibility to official statistics at the central level also. The Prime Minister agreed to this suggestion and the conference was held on 8th September 2008. The Commission identified some of the important issues to be taken up in this meeting as:

"Reliable, timely and credible official statistics are no longer important for official use in planning and policies only, but are also being increasingly demanded by general public as well as private investors for guiding their decisions. They have thus become an integral part of good governance. By establishing the National Statistical Commission in July 2006 consisting of non-official experts and giving it a wide mandate and autonomy, the Government of India at the national level provided political backing to the institutionalization of an arms-length relationship with the official statistical system in the interest of lending additional credibility. The objective of this conference was to impress upon the State and the Union Territory governments the urgent need to accord primary and greater

importance to the statistical activities in public administration and the policy initiative at the highest level that is essential for this purpose.

In the Indian federal structure, the Official Statistical System works in a decentralized fashion both horizontally and vertically within both of its two major constituents, namely, the National Statistical System at the Centre and State Statistical System in the States and the Union Territories. At the national level the activity of collection of statistics on different subject-specific areas like Agriculture, Industry, Finance, Labour etc. vests with the corresponding administrative Ministries and regulatory bodies of the Government of India. The line Ministries / Departments in the Central and State Governments/Union Territories (UTs) have their own statistical cells, units or organizations depending on the need and extent of reliance on statistics in the relevant fields. Besides this, large-scale statistical operations, like population census, nationwide sample surveys, economic census, compilation of national accounts, price and production indices etc are mainly central activities carried out in co-operation/collaboration with the State/ UT Governments. Each of the States/ UT has its own statistical system with a similar decentralised structure as at the Centre. Corresponding to the CSO under the MOSPI at the Centre, there is a Directorate of Economics and Statistics (DES) usually under the Planning Department in each State/ UT. Data for certain sectors/ parameters flow to the Centre from the States and the statistics at the national level are usually obtained through aggregation data collected and compiled at the state/ UT level.

It follows that the State Statistical Systems constitute an integral part of the Indian Official Statistical System and there exists an inseparable two-way mutually reinforcing interdependence between the two systems so that improvements in one are critical to the improvements in the other

and vice-versa. In general, the statistical activities of the State DESs are more or less similar, although sectoral coverage/ domain may vary. However, there are significant variations in the technical and institutional capacities of the state statistical systems and also in the degree of importance and priority accorded to them by the state governments. Consequently, the level and quality of functioning of the DESs vary widely among states”.

6.2 The basic objective of this Conference was to discuss broad policy issues requiring executive decisions rather than focusing on technical matters for which other forums exist. The issues taken up for discussion in the conference were:

- i. Need to impart independence and impartiality in official statistics by establishing state level autonomous statistical commissions consisting of professional experts;
- ii. Institutional strengthening of the state statistical system and the need to establish high level inter-departmental committees to ensure horizontal and vertical coordination of statistical activities across departments;
- iii. Need to empower the State Directorate of Economics and Statistics as nodal agencies responsible for official statistics;
- iv. Need to evolve stronger centre-state coordination mechanism for statistical activities and clarify the facilitating role of statistical advisors in the state capitals as and when required by the State/ UT governments;
- v. Implementation of the recommendations of Dr. Rangarajan Commission especially those relating to correcting existing weaknesses in primary reporting;
- vi. Development of local panchayat raj level statistics and its integration with the State Statistical System;

- vii. Manpower issues like common cadre for statistical personnel in the State, exchange of statistical personnel between Centre and States



Honorable Prime Minister of India Dr. Manmohan Singh addressing the Conference of State Ministers in-charge of Statistics

6.3 The Conference was well attended and addressed by the Ministers and Secretaries from different States and Union Territories. Besides delegates from the Centre and States, the Chairman and Members of the Thirteenth Finance Commission also addressed the conference and participated in the deliberations. The key recommendations of the conference were:

- a. There was unanimity on the importance of the issues listed in the agenda and that steps required to be taken for improving the state statistical system along the lines suggested in the agenda.
- b. There was broad agreement on providing autonomy to the state statistical system through apex level commission/committee. These already existed in a few states. However this need not be on the model of the National Statistical Commission. There were slightly different views from smaller States/ UTs, who felt that they did not require a full-fledged Commission.
- c. The need for making DES as the nodal agency and as a separate department was accepted. Though DES had been declared as a nodal agency in most States/ UTs, the meaning and implications of being a nodal agency needed to be clarified with greater specificity along with the concomitant requirement for their effectiveness.
- d. For Local Area statistics, generally there is a system for collection of village level statistics in most states. Many states already have a system like the village index cards, family registers etc to record the basic statistics at village level. However more resources are required for its expansion, timely compilation and its integration with the district level statistics. It was also felt that the DES should be involved in the process of generating local area development statistics.
- e. Statistics for Urban areas was deficient in many ways that this should be taken up as a new area for improvement.
- f. On manpower issues there was unanimity of views that additional manpower needed to be provided for statistical activities especially at the primary level. Some suggestions that came up were to utilize the services of local educated persons to assist in primary reporting by paying honorarium for their services

- g. All States/ UTs agreed that ISSP was crucial for the development of State Statistical Systems and welcomed the scheme.
- h. Each state should formulate its own State Strategic Statistical Plans, independent of the NSSP.
- i. The role of statistical advisors was generally welcomed by the States/ UTs. North-eastern States specifically agreed that such expertise would be very useful to them.
- j. Most states have common statistical cadre at least in respect of key departments. There was complete agreement that having a common cadre was essential to generate quality statistics and improve statistical coordination. All States agreed to work for common statistical cadre covering statistical units in all departments.
- k. There was no general agreement on exchange of statistical personnel between Centre and States and this required more consultations on its scope and procedures.
- l. All States agreed to continue the task of implementing the NSC recommendations especially those regarding primary reporting. However most states reported resource constraints to improve primary level data reporting.
- m. Most states were of the view that the reach of DES should be extended to lower levels like Taluk/ Block and even Panchayat level.
- n. There was a suggestion to have regional level meetings of the Ministers. However it was felt that the proper thing would be to have meetings of group of states according to the degree or level of functioning rather than geographical groupings



Honorable Prime Minister with Prof Suresh Tendulkar, Chairman National Statistical Commission and Shri G K Vasan, Honorable Minister (Independent Charge) Ministry of Statistics and Programme Implementation at the Conference of State/ UT Ministers in-charge of statistics.

CONFERENCE OF MINISTERS IN-CHARGE OF STATISTICS IN SOUTHERN STATES

6.4 As a follow up of the conference, a regional conference of the Ministers in-charge of Statistics in Southern States was held at Bangalore on 26th November 2008. The conference had the following agenda.

- I. Follow up on the recommendations of the National Conference held at New Delhi on 9th September, 2008.
- II. Estimation of State Domestic Product
- III. Crop Area and Production

IV. Civil Registration System

V. Collection and Compilation of Statistics for Local Area Planning

6.5 The conference was attended by delegates from Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Puducherry. The summary of the deliberations of the Meeting are given below:

1. The role of the Directorate of Economics and Statistics (DES) should be not only the collection of data, but also of effective supervision of the various other arms of the government which are involved in collection of statistical data.
2. DES should play an effective role as Nodal Agency.
3. Preparatory work for the implementation of the ISSP should begin and preparation of the State Strategic Statistical Plan (SSSP) and signing of Memorandum of Understanding (MOU) are to be taken up on priority.
4. Institutional strengthening is required in the following areas:
 - i. Role of Nodal Agency;
 - ii. Quality of manpower;
5. Manpower is weak in all the states. States should take action to fill the existing vacancies and to arrange appropriate training of statistical personnel at all levels.
6. The matter of obtaining more reliable estimates of State Domestic Product (SDP) shall be examined by the CSO and the States.
7. Sales tax data needs to be captured for the purpose of estimation of SDP. There should be a system for tracking the data as far as indirect taxes are concerned.
8. Estimation of Capital formation should go beyond public sector. Directorates should start experimenting with preparation of estimates for the private sector also.

9. The rates and ratios used in the estimation of SDP are not revised since long time and in some cases they do not exist. The states should take up type studies to generate the required information.
10. There are well known problems under crop area and production, which are detailed in the NSC report. There is a need to find out solutions for them.
11. Satellite imageries can be taken as an alternative source for area statistics and this should be verified with ground level data on sample basis. However collection of local level data should not be eliminated. This has to be on a representative basis and needs to be monitored continuously.
12. To improve the agriculture statistics, a mechanism at the Patwari level should be evolved.
13. The crop estimation survey and crop insurance scheme should be de-linked since the crop insurance scheme is not a statistical work.
14. There are two sets of data on irrigation statistics, one with water resources and the other with the DES. This should be reconciled so as to have only one set of data.
15. Intensive training programme should be conducted for agriculture and revenue functionaries who are dealing with agriculture statistics to improve the quality of data.
16. In course of time CRS should replace Sample Registration System. This will be possible with improved literacy and education and greater efforts on the part of the registration authority.
17. Annual reports on Civil Registration System should be brought out by ORGI highlighting the defaulting states. ORGI should set calendar for release of reports and publish on time.
18. Medical Certificates for cause of death should be verified as to whether the medical attendants send correct information or not before preparing the reports.

19. Standards should be set in the collection of basic data for local level planning. DES cannot go beyond the district level. The concerned Panchayat Raj Institutions and Urban local bodies should own this data and use it for formulation of their plans.
20. District level statistics should be compiled containing minimum parameters with uniform definitions and standards.

Chapter-VII

Expenditure incurred on the Commission

7.1 In the budget estimates (BE) for the year 2008-09, a provision of Rs. 66.80 lakhs was made for the NSC under the non-plan budget of the MOSPI, which was subsequently, reduced to Rs. 63.39 lakhs in the revised estimates (RE).

7.2 No officer in the NSC Secretariat has been delegated the power to incur expenditure on the activities of the NSC. Hence, the officer delegated with the powers of Head of the Department in the MOSPI has been empowered to incur expenditure on the activities of the NSC.

7.3 It was reported that an expenditure of Rs. 61.04 lakhs was incurred during 2008-09 towards the expenses connected with running the NSC Secretariat, domestic travel of the Chairman and Members and for acquiring office equipments etc.
