



Annual Report 2012-13

The National Statistical Commission have the privilege to present their Seventh 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, 2012 to March 31, 2013.

**National Statistical Commission
New Delhi**

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The Commission also acknowledges the participation and involvement in its meetings of Dr. T.C.A. Anant, the CSI, Shri S.K. Das, the DG (CSO) and Shri J. Dash, the DG (NSSO). The Commission expresses its appreciation of the role played by Shri M.V.S. Ranganadham, Dy. Director General and of the supporting staff in the Commission's Secretariat.



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



(DR. PRONAB SEN)
Chairperson

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List of Abbreviations

| | |
|----------|--|
| ADG | Additional Director General |
| ATR | Action Taken Report |
| CAP/ CPD | Coordination and Publications Division |
| CBEC | Central Board of Excise & Customs |
| CES | Consumer expenditure survey |
| CPC | Central Pay Commission |
| CPI | Consumer Price Index |
| CPI-IW | Consumer Price Index for Industrial Workers |
| CPIU | Consumer Price Index for Urban area |
| CSI | Chief Statistician of India |
| CSO | Central Statistics Office |
| DA | Dearness Allowance |
| DDG | Deputy Director General |
| DES | Directorate of Economics and Statistics |
| DG | Director General |
| DGCI&S | Directorate General of Commercial Intelligence & Statistics |
| DGET | Directorate General of Employment & Training |
| DGFT | Directorate General of Foreign Trade |
| DPD | Data Processing Division |
| DWBI | Data warehousing and business intelligence |
| EDI | Electronic data interchange |
| ESD | Economic Statistics Division |
| FOD | Field Operations Division |
| IASRI | Indian Agricultural Statistics Research Institute |
| ICEGATE | Indian Customs and Central Excise Electronic Commerce/ Electronic Data interchange (EC/EDI) Gateway |
| ICES | Indian Custom EDI System |
| ICSSR | Indian Council of Social Science Research |
| ICT | Information & Communications Technology |
| IGIDR | Indira Gandhi Institute of Development Research |
| IIP | Index of Industrial Production |
| IIPS | International Institute for Population Sciences |
| ISI | Indian Statistical Institute |
| ISS | Indian Statistical Service |
| ISSP | India Statistical Strengthening Project |
| MIS | Management Information System |
| MOSPI | Ministry of Statistics and Programme Implementation |
| MoU | Memorandum of Understanding |
| MPCE | Monthly per Capita Expenditure |
| MSME | Micro, Small and Medium Enterprises |
| NAD | National Accounts Division |
| NASA | National Academy of Statistical Administration |
| NCAER | National Council of Applied Economic Research |
| NCAP | National Centre for Agricultural Economics and Policy Research |
| NCS | National Commission on Statistics |

| | |
|--------|---|
| NIEPA | National Institute Of Educational Planning And Administration |
| NRSA | National Remote Sensing Agency |
| NSC | National Statistical Commission |
| NSDL | National Securities Depository Limited |
| NSO | National Statistical Organisation |
| NSS | National Sample Surveys |
| NSSO | National Sample Survey Office |
| OM | Office Memorandum |
| ORGI | Office of the Registrar General of India |
| PFCE | Private Final Consumption Expenditure |
| PSU | Public Sector Undertaking |
| RBI | Reserve Bank of India |
| RDBMS | Relational Database Management System |
| RRs | Recruitment Rules |
| RTC | Regional Training Camp |
| SAARC | South Asian Association for Regional Cooperation |
| SDRD | Survey Design and Research Division |
| SEZ | Special Export Zone |
| SMS | Short Message Service |
| SSC | Staff Selection Commission |
| SSD | Social Statistics Division |
| SSS | Subordinate Statistical Service |
| UFS | Urban Frame Survey |
| UNICEF | United Nations Children's Fund |
| UT | Union territory |
| WPI | Wholesale Price Index |

Executive Summary

Introduction

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

(Paras – 1.2 to 1.6)

2. The NSC held nine meetings during the financial year 2012-13. In all the nine meetings, the Commission deliberated on the issues referred to it and on issues covered under its mandate.

(Paras – 1.7 to 1.8)

3. The tenure of two professional committees constituted by the NSC has been extended up to June 2013. The NSC has also constituted two Standing Committees under the Chairmanship of a Member of the NSC. There are a few other committees, which were constituted at the instance of the NSC.

(Paras – 1.9 to 1.12)

Institutional Issues

4. The Rangarajan Commission recommended that a Consultancy Wing may be established as a new office in the NSO to cater to the increasing demand for professional statistical services, especially within the Government. The MOSPI constituted a Steering Committee to examine the issue. The Report of the Steering Committee was submitted to the NSC for its consideration in its 47th meeting. The NSC recommended that the MOSPI may establish a society to be registered under the Societies Act, with its Headquarters at New Delhi. The Society may be assigned mainly with (a) training of manpower engaged from time to time in statistical activities of the Government, (b) conducting statistical surveys (censuses, sample surveys, evaluation studies, case studies, methodological studies etc.,) of the Central Government and of the States/ UTs, (c) analytical and research work, and (d) providing statistical plans to address various issues. As the Society, after its establishment, shall take up all statistical activities of the Government at the Centre which cannot be taken up within the setup, the Government Departments at the Centre shall not outsource any statistical project to any other person or organisation.

(Paras – 2.3 to 2.11)

Separate Consumer Price Index for Government Employees

5. The Sixth CPC recommended inter alia that the NSC 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. A reference was received from the Department of Expenditure, Ministry of Finance on compilation of a separate index to regulate the Dearness Allowance and other allowances of Government employees, as recommended by the Sixth CPC. The NSC recommended that there is no need for conducting a separate survey and compiling a separate CPI for Central Government employees and that the twelve monthly moving average as on 1st January and 1st July of each year, obtained from the CPIU at all India level being published by the CSO, may be used for regulating DA and other allowances of the Central Government employees.

(Paras – 3.1 to 3.12)

NSSO matters

6. In exercise of its mandate, the NSC *inter alia* has been deciding the subjects to be surveyed in each NSS round, formulating the methodology for each round, devising the tabulation plan for presenting results, and according approval for release of reports. The NSC has constituted Working Groups, from time to time, comprising experts within and outside the Government, to assist it in all these matters. Four Working Groups constituted by the NSC have been functioning. The NSC also constituted a Standing committee on NSSO matters, under the chairmanship of a Member of the NSC, to look into all technical issues referred to it from time to time in respect of NSS, which are not possible to be looked into by Working Groups on NSS.

(Paras – 4.1 to 4.4)

7. During the year 2012-13, the NSSO, with the approval of the NSC, released eleven reports based on the data of the NSS 66th round and the NSS 67th round.

(Paras – 4.5 to 4.6)

8. To facilitate quick compilation of sub-round-wise data on consumer expenditure, a Summary sheet was introduced on experimental basis, in the Consumer Expenditure Schedule of this round. The NSSO compiled the summary sheet data and the quality of the data was found to be of desired quality. The NSC desired that provisional results in respect of key parameters for each quarter may be introduced as a new product of the NSSO from the 69th round onwards.

(Paras – 4.7, 4.8, 4.29)

9. The methodology formulated by the 69th Round Working Group was approved by the NSC. The NSC desired that its recommendations on organizing RTCs may be followed in respect of the 69th NSS Round by the NSSO and the States/ UTs. It also desired that the action plan formulated for the NSSO may be brought to the notice of the concerned Departments in the States/ UTs at highest level and they be requested to activate their official machinery to cope up with the targets.

(Paras – 4.9 to 4.11, 4.29)

10. The methodology formulated by the 70th NSS Round Working Group on the subjects - Land holdings, Livestock holdings, Debt and Investment, and Situation Assessment Survey of Farmers, was approved by the NSC.

(Paras – 4.12, 4.29)

11. The next ten-year cycle of NSSO would commence from the 72nd round and the next quinquennial round on consumer expenditure and employment-unemployment would be taken up in the 74th round. With regard to subject coverage in the next ten-year cycle of NSS, the NSSO may organize a Workshop to have wider consultation on the issue.

(Paras – 4.13 to 4.16, 4.29)

12. The issue of underestimation of population in the NSS was studied in the past. The NSC recommended that population estimates may be prepared by the NSSO on the basis of the 68th NSS round summary data, in order to assess the impact of improvisations attempted by the NSSO.

(Paras – 4.17 to 4.18, 4.29)

13. The NSC recommended that the NSSO (DPD) may coordinate implementation of its recommendations on pooling of data of central and state samples of NSS. The NSSO (DPD) may take up the exercise of pooling in respect of the two States of Orissa and Bihar, to begin with. Using the experience gained on pooling of data of Orissa and Bihar, the DPD may organize Workshops to sensitize other States/ UTs in taking up the exercise.

(Paras – 4.19 to 4.21, 4.29)

14. The FOD has been encountering various manpower related problems. Chairperson, NSC in his letter addressed to the Hon'ble Prime Minister furnished a note on the problems and possible solutions. The NSC recommended that the MOSPI may coordinate with the concerned Ministries and Organisations for implementation of the suggestions given in the note

(Paras – 4.25 to 4.29)

Quality Issues

15. The Parliamentary Standing Committee on Finance, in its fifty-fourth report on demands for grants (2012-13) for the MOSPI recommended for an independent inquiry to be conducted on data errors in respect of IIP and trade data. The MOSPI appointed Dr. R. B. Barman to take up the assignment. The report of Dr. Barman and the measures taken/ proposed to be taken by the CSO (ESD) and the DGCI&S were considered by the NSC. The NSC recommended that the suggestions given in the report of Dr. Barman may be implemented expeditiously.

(Paras – 5.1 to 5.7, 5.21)

16. The MOSPI, in consultation with the NSC, issued guidelines for organizing surveys by line Ministries/ Departments at the Centre. In the light of the guidelines, proposals for conducting surveys have been received in the

NSSO (CPD) from the Ministry of Micro, Small & Medium Enterprises (MSME), Ministry of Labour and Employment, and Ministry of Tribal Affairs. With regard to the proposal on MSME sector, the NSC desired that the Ministry may furnish further details. Taking note of the proposal of the Ministry of Labour and Employment on contract labour, the NSC recommended that a Working Group may be constituted by the MOSPI to formulate methodology, undertake pilot testing, as may be necessary, and submit its report to the NSC. On the proposal of the Ministry of Tribal Affairs, it was suggested by the NSC that a Group may be constituted by the Ministry to work out the details of data requirements in respect of tribes in terms of different dimensions.

(Paras – 5.8 to 5.13, 5.21)

17. With regard to the criticisms being made in the media on quality of official statistics being put out by the NSO, it was felt that in most of the cases, the criticism has originated because of using data for purposes for which it should not be used. In order to improve communications with the public domain, the NSC recommended that orders may be issued by the MOSPI notifying official spokespersons.

(Paras – 5.14, 5.21)

18. The issue of divergence between NSSO consumer expenditure estimates (CES) and Private Final Consumption Expenditure (PFCE) compiled in the National Accounts Statistics has been examined in the past by a Committee chaired by Dr. Savita Sharma. It was decided that the report of Dr. Savita Sharma committee may be updated by attempting comparison with latest available data. The NSC recommended that the CSO (NAD) may furnish an updated paper for its consideration and for placing it in public domain.

(Paras – 5.15, 5.21)

19. The CSO may prepare a note on consumer price indices, indicating inter alia the methodological details, differences in approach and variations in inflation rates emanating from the indices duly bringing out the fitness for purpose and place it in the public domain.

(Paras – 5.16, 5.21)

20. Training is an important component of capacity development, which contributes immensely to improvement in quality of data. The NSC reviewed the training of statistical officers and staff, being conducted by the NASA and recommended measures for strengthening feedback mechanism.

(Paras – 5.17, 5.21)

21. It is necessary to lay down standards on statistical concepts, definitions and classifications for use by all official agencies. The existing practice is to make the standards available through release of statistical manuals on different subjects. The NSC recommended that the work of preparation and release of manuals shall be completed in a time bound manner and the manuals may be placed before it, for review.

(Paras – 5.18 to 5.21)

Implementation Issues

22. Implementation of the recommendations of various Committees and Commissions on improving the statistical system has been a matter of concern. With regard to the 623 recommendations made by the Rangarajan Commission, it was found that 147 recommendations have been implemented, 9 have been rejected as not feasible, implementation in respect of 261 recommendations was under progress and that the status of implementation in respect of 206 recommendations was yet to be ascertained. The NSC endorsed the further course of action approved by the CSI in respect of pending recommendations and made specific recommendations on filling up senior positions in the CSO and the NSSO and on implementing some of the recommendations in respect of Trade Statistics.

(Paras – 6.1 to 6.9, 6.26)

23. A High Level Committee on Estimation of Saving and Investment appointed under the Chairmanship of Dr. C. Rangarajan submitted its Report to the Government on March 16, 2009. It was decided that the NSSO would take up a pilot survey on estimation of savings and investment through household survey as recommended by the Committee. The NSC recommended that all actions relating to conducting the pilot survey may be completed in a time bound manner.

(Paras – 6.10 to 6.12, 6.26)

24. The NSC had so far submitted six Annual Reports. The Government tabled the first five Annual Reports in both the Houses of Parliament along with Action Taken Reports (ATRs). The NSC reviewed the ATRs and observed that there are many cases where action was incomplete or reported to be under progress. The NSC recommended that all the ATRs may be updated by the MOSPI indicating latest position and tabled in both the Houses of the Parliament.

(Paras – 6.13 to 6.17, 6.26)

25. The report of the NSC Committee on social sector statistics was considered by the NSC in its 45th meeting and it was decided that the report should be considered as a first draft and further details need to be looked into, in respect of availability, quality of data and data gaps in respect of social sector. The NSC desired in this meeting that a Group may be constituted by the CSO for this purpose with a clear time frame to complete the work. After reconsidering the matter, the NSC recommended that theme papers may be invited from a few experts and placed before it.

(Paras – 6.18 to 6.20, 6.26)

26. The NSC recommended that the revision of base shall be aligned, by the official agencies compiling national accounts and all consumer price indices, with the year for which quinquennial NSS round on consumer

expenditure would be carried out. Following the same practice by agencies producing other indices, such as the WPI and IIP, is desirable.

(Paras – 6.21, 6.22, 6.26)

27. The Department of Agriculture and Cooperation constituted a Committee on 26th February 2009 under the Chairmanship of Dr A. Vaidyanathan to examine in detail the issues relating to agricultural statistics. The Committee submitted its final report to the Department in February 2011. The NSC recommended that the recommendations given in the final report may be implemented by the Department of Agriculture and Cooperation in a time bound manner.

(Paras – 6.23, 6.24, 6.26)

28. The NSC met the Chief Secretary and other officers of the Government of Karnataka at Bangalore on 5th October, 2012 and recommended steps to further improve the Karnataka Statistical System.

(Paras – 6.25, 6.26)

CHAPTER-1

INTRODUCTION

1.1 A Commission set up by the Government in January 2000 under the Chairmanship of Dr. C. Rangarajan reviewed the statistical system and the entire gamut of Official Statistics in the country 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.

Setting up of the NSC

1.2 In line with the recommendations of the Rangarajan Commission, the Government of India resolved the setting up of a permanent National Statistical Commission (NSC), vide Notification No. 85 dated 1st June 2005 published in the Gazette of India, Extraordinary, Part-III-Section-4. 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 Secretary to the Commission in providing assistance to the Commission in the discharge of its functions, a small secretariat comprising a Dy. Director General and a Director with other support staff has been created.

Composition of the NSC

1.3 In accordance with the aforementioned Notifications, the NSC has been constituted from time to time and 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.

| | | |
|-----------------------------|---|-----------------------------|
| Prof. R. Radhakrishna | – | Chairperson till 29-7-2012 |
| Dr. Pronab Sen | – | Chairperson since 25-2-2013 |
| Shri Suman K. Bery | – | Member till 23-12-2012 |
| Prof. Sudipto Mundle | – | Member till 23-12-2012 |
| Prof. Shibdas Bandyopadhyay | – | Member till 1-10-2012 |

1.4 Prof. Sudipto Mundle, Member has been the Acting Chairperson of the NSC till the date of completion of his tenure in the vacancy caused by completion of tenure of Prof. Radhakrishna. Dr. T.C.A. Anant was the Chief Statistician of India (CSI) and Secretary to the Commission during the entire period under report.

Mandate of the NSC

1.5 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.

1.6 In addition to the aforesaid mandate, all functions of the Governing Council of the National Sample Survey Office (NSSO) were entrusted to the NSC w.e.f 30th August 2006, in accordance with the decision of the Union Cabinet in its meeting dated 10th August 2006.

Working of the NSC

1.7 The Commission held nine meetings during the financial year 2012-13. The dates of the meetings are indicated below.

| <u>S. No. of the Meeting</u> | <u>Dates of the Meeting</u> | <u>Place where held</u> |
|-------------------------------------|--|--------------------------------|
| 49 | 30 th April to 1 st May 2012 | New Delhi |
| 50 | 24 th to 25 th May 2012 | New Delhi |
| 51 | 22 nd to 23 rd June 2012 | New Delhi |
| 52 | 11 th to 12 th July 2012 | New Delhi |
| 53 | 21 st July 2012 | New Delhi |
| 54 | 24 th to 25 th August 2012 | New Delhi |
| 55 | 5 th to 6 th October 2012 | Bangalore |
| 56 | 9 th November, 2012 | New Delhi |
| 57 | 10 th December, 2012 | New Delhi |

1.8 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.

Constitution of professional Committees

1.9 The Commission constituted nine professional committees in order to assist it in different subject areas. Of these, seven committees have submitted their reports and on the basis of the reports, the NSC had given its recommendations in its Annual Report for the year 2011-12. It was reported that action plans would be prepared to implement the recommendations and the official agencies/ Divisions responsible to carry out the steps given in the action plans would be identified. The remaining two professional committees are still functioning, and their tenure has been extended up to June 2013. The details of the two committees are given below.

- Committee on Statistics of Agriculture and allied sectors under the Chairmanship of Prof. Y.K. Alagh, Chairman, Institute of Rural Management

- Committee on administrative statistics of corporate sector and allied fields under the Chairmanship of Dr. R. B. Barman, Former Executive Director, RBI

1.10 The NSC has constituted two Standing Committees under the Chairmanship of a Member of the NSC. The details of working of these Committees have been given in the subsequent chapters. The names of the Committees are given below.

- Standing Committee on monitoring implementation of Rangarajan Commission recommendations and the NSC recommendations
- Standing Committee on NSSO matters

1.11 There are a few other committees, which were constituted at the instance of the NSC. Details are given below.

- (1) Standing Committee on Industrial Statistics under the Chairmanship of Prof. Biswanath Goldar
- (2) Advisory Committee on National Accounts under the Chairmanship of Prof. K. Sundaram
- (3) Committee to evaluate MOSPI plan scheme 'Capacity Development' under the Chairmanship of Prof. Atul Sharma
- (4) Working Group for formulating methodology to measure contract labour under the Chairmanship of Prof. T.S. Papola
- (5) Committee to formulate methodology for a pilot study for direct estimation of savings and investment through household survey under the Chairmanship of Shri Suman K. Bery, Member, NSC (presently under the Chairmanship of Dr. S.L. Shetty)
- (6) Working Group to look into the coverage of occupation category for collection of wage rate data under the Chairmanship of Dr. T.S. Papola
- (7) Expert Group to look into compilation of seasonally adjusted series under the Chairmanship of Dr. Dilip Nachane
- (8) Working Group on Time-use surveys under the Chairmanship of Prof. S. R. Hashim

1.12 The aforementioned Committees at s. nos. (3) to (8) have a specified tenure, whereas the remaining two are of continuous nature. The reports of the Committees specified at s. nos. (4) to (8) are awaited. The report of the Committee mentioned at s. no. (3) has been received and is under the consideration of the NSC. The working of the Committees mentioned at s. nos. (1) and (2) was reviewed by the NSC in its 54th meeting.

About this report

1.13 The recommendations of the NSC on institutional issues pertaining to establishing a Consultancy Wing in the MOSPI are given in Chapter-2. The Government, on the basis of the recommendations of the Sixth Central Pay Commission, desired that the NSC 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. This reference has been answered in Chapter-3. Chapter-4 gives an account of the role played by the NSC in respect of the survey activities of the NSSO. Chapter-5 deals with quality related issues of different statistical products and processes. Chapter-6 covers the issues relating to implementation of recommendations of various committees including the recommendations given in the previous Annual Reports of the NSC. The issues covered in these chapters broadly fall under the mandate of the NSC mentioned at sub-paras (d) to (f), and (k) to (m) of para-1.5. The recommendations of the NSC and the Offices responsible for their implementation are also given in chapters 2 to 6.

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, hiring of accommodation, professional services, administrative services and requirements for day to day administration of the Commission is being met from a demand under the MOSPI voted by the Parliament. In the budget estimates for the year 2012-13, a provision of Rs. 142.36 lakhs was made for the NSC under the non-plan budget of the MOSPI. It was reported that an expenditure of Rs. 111.64 lakhs was incurred during 2012-13.

CHAPTER-2

INSTITUTIONAL ISSUES

Background

2.1 The NSC in its previous Annual reports dealt with some of the institutional issues relating to the Indian statistical system and made suitable recommendations. These include setting up a separate Department of Statistics at the Centre to be headed by the Chief Statistician of India (CSI), institutionalizing the role of statistical advisers to assist the CSI and the NSC in discharging nodal, advisory and regulatory functions, and providing statutory status to the NSC by an Act of the Parliament.

2.2 During the period under report, the NSC considered the issue of creating professional machinery by way of establishing a Consultancy Wing in the MOSPI to cope with increasing demands in the Government for statistical services. Details are given in the following paragraphs.

Establishing a Consultancy Wing in the MOSPI

2.3 The Rangarajan Commission recommended that a Consultancy Wing may be established as a new office in the NSO to cater to the increasing demand for professional statistical services, especially within the Government. The Commission was of the view that a Consultancy wing would be needed because of questionable competence of private agencies and because of the Government not being able to meet its own demand on new statistical items of work with the existing establishment. The Commission was also of the view that engaging private agencies cannot be totally done away with, but it would be possible to formulate necessary guidelines to address the issues of quality. The Commission also recommended at para-14.9.3 of its report that the function of certification of the quality of statistics by the Commission may be extended to private producers of statistics on a voluntary basis. Relevant extracts of the Rangarajan Commission report about establishing a Consultancy Wing are given at Annex-2.1.

2.4 Some of the aforesaid issues have been examined and suitable recommendations were made by the NSC to the Government in its previous Annual Reports. In the Annual Report for the financial year 2010-11, the NSC recommended a Code of Statistical Practice, which may be prescribed to be followed by private statistical agencies on voluntarily basis. Recognising the fact that outsourcing statistical activities may be inevitable for the Government agencies, the NSC also recommended in this Report, guidelines to be followed by the Government even when outsourcing is resorted to, so as not to compromise on professional approach in collection and dissemination of statistics. With regard to the concerns on quality of statistics

produced by private agencies, the NSC provided appropriate measures in the National Statistical Commission Bill recommended in Chapter-II of its Annual report for the financial year 2011-12. The Bill provides for statistical service on quality assurance to private agencies.

2.5 The MOSPI, as a follow-up action to the aforementioned Rangarajan Commission recommendations, constituted a Steering Committee on August 6, 2010 under the Chairmanship of its Secretary to examine the issue of setting up of Consultancy Services Wing in the MOSPI. The Report of the Steering Committee was submitted to the NSC for its consideration in its 47th meeting. The salient features of the Consultancy Services Wing proposed by the Steering Committee are given at Annex-2.2.

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

2.7 The features of the Consultancy Wing, in the form of a company proposed by the Steering Committee, indicate that the company would, perhaps through competitive process, obtain statistical projects from the Government and others, and execute the projects through empanelled private agencies. If a private agency and the proposed company, which has empanelled that private agency, compete in a tendering process, the likelihood of the company being awarded the contract is very dismal, from the point of view of costing. Even if the Government provides protection to the proposed company by way of favoured treatment or preference, the advantage to the Government would be quality supervision over private agencies, which the proposed company may promise to provide. But, the company would add its margins for doing so, which includes not only its costs but also profits. This would be an additional expenditure, which the Government has to incur over and above the expenditure that it would have incurred had it engaged the private agency directly.

2.8 Another aspect, which goes against the report of the Steering Committee, is about sustaining quality supervision. Even if the Government takes strong measures to ensure quality supervision through the proposed company in its formative years, subsequently if disinvestment takes place, the Government may lose its grip on quality supervision. The details of quality supervision over empanelled private agencies and the system of transparency in the operations of the company are not spelt out in the report of the Steering Committee. The proposed company may be outside the purview of the provisions under the Right to Information Act, which makes it impossible to get these details unless the company, on its own, makes them public.

2.9 The proposed company has to function on commercial terms and has to satisfy its clients. Statistical projects of the Government that may be awarded to the proposed company may directly or indirectly measure the performance of the Government. If the Government of the day is the client and the proposed company has to satisfy the client, it may not be in a position to bring out the truth in its assigned project, due to conflict of interest. Nothing was found in the report of the Steering Committee, which addresses this problem.

2.10 Undertaking statistical projects is a lucrative business, as can be seen from the findings of the Rangarajan Commission as also from the report of the Steering Committee. Government is the major beneficiary/ client in most of the projects. The question that needs to be answered is whether it is a sufficient reason for the Government to participate in the business on commercial terms. Secondly, can the Government participate in all businesses, where it is the major beneficiary/ client? The NSC is of the view that it is not per se the allocated business of the Government.

Recommendations of the NSC

2.11 In view of the above, the NSC, with the assistance of the CSO (SSD), considered, in its 49th and 52nd meetings, other models for the Consultancy Wing, such as a Society and a Section 25 company, along with the Report of the Steering Committee and made the following recommendations.

- (1) There is a need for an institution which undertakes, in a professional way, statistical projects that cannot be accommodated or taken up in the existing setup of the Government. For this purpose, the NSC recommended that the MOSPI may establish a Society to be registered under the Societies Act, with its Headquarters at New Delhi. The Society has to be under the administrative oversight (not direct administrative control) of the MOSPI, and it has to undertake its activities with a non-profit motive.
- (2) The Society may be assigned mainly with - (a) training of manpower engaged from time to time in statistical activities of the

Government, (b) conducting statistical surveys (censuses, sample surveys, evaluation studies, case studies, methodological studies etc.) of the Central Government and of the States/ UTs, (c) analytical and research work, and (d) providing statistical plans to address various issues. It may also take up consultancy projects/ services offered by private sector.

- (3) The NASA may be made a part of the Society.
- (4) Further details on the structure, seed money requirements etc., for the Society may be worked out by the Steering Committee on the lines of other similar societies established by the Government, duly keeping in view the need for adequate delegation of powers to the society for its smooth functioning. The Society may be provided with a minimum contingent of staff, so that it could take up activities through outsourcing.
- (5) The Society has to follow the Code of Statistical Practice and the Guidelines on outsourcing statistical activities recommended by the NSC in its Annual Report for the financial year 2010-11, so as not to compromise on professional approach in collection and dissemination of statistics.
- (6) As the Society, after its establishment, shall take up all statistical activities of the Government at the Centre which cannot be taken up within the setup, the Government Departments at the Centre shall not outsource any statistical project to any other person or organisation.

[Action: MOSPI]

Extracts of the Rangarajan Commission Report

14.5.18 The Consultancy Wing would cater to the increasing demand for professional statistical services, especially within the Government. Presently, this demand is being partially catered to, by private agencies whose competence could be questionable. It is understood that some Central and State Government departments have been incurring an annual expenditure of the order of a few hundred crores of rupees on account of out-sourced studies, surveys and consultancy work. An indicative list of some such projects assigned by the Government Departments to outside agencies is given in Annexe-14.8 (not provided in this report). The Consultancy Wing will aim to cater to the increasing demand for investigations and studies of a statistical nature and provide related professional statistical services that cannot be accommodated in the existing arrangements within the Government. This Wing would essentially function as an autonomous body and aim to be the commercial wing for professional statistical activities. In its nascent stage, it will be nurtured by the NSO, before it hives off as an independent corporate entity outside the Government.

14.5.19 To start with, it may undertake projects from Governmental and international agencies regarding data collection, processing, analysis and report generation through sample surveys or other means on topics assigned to it. It could also take-up consultancy services relating to statistical problems including methodological studies and model building. It would carry out detailed analytical reporting, consultancy (both national and international) and compete in the consultancy market on commercial terms. Some of the activities include methodological studies, surveys, macro-econometric modelling and forecasting, and consultancy to the State Governments. It will adhere to the appropriate statistical standards and methodology. The Consultancy Wing would be free to hire skilled personnel for project-specific work including officers of the Indian Statistical Service on deputation.

14.5.20 This being a new activity, the Commission recommends that the organisational structure for it should evolve along with the growth of its activities.

14.6.21 To make use of data for the resolution of a particular problem of decision-making will undoubtedly require the development of analytical statistical expertise. The focus will be on generation, from available data, of statistical "information" relevant to a particular problem, and this will require familiarity with and ingenious use of, modern statistical methods and operation research techniques. The DES will have to create a small data-

analysis unit of “problem solvers”, and man it by one or two statisticians competent in these techniques. In the suggested organisation of the National Statistical Office (NSO), it is proposed that a consultancy wing may be created. The DESs will be able to call upon the statisticians working in this wing, when required. To nurture growth of analytical capabilities for problem solving in all State DESs, it will help if they share their experiences. For this, it would be beneficial if the Conference of Central and State Statisticians devote a technical session for this purpose.

14.2.74 Arising out of the trend of downsizing the Government, and spurred by considerations of economy in long-term costs and of obviating the problems of staff management, and to avoid possible bias and lack of objectivity in data collected by Government departments a view seems to be gaining ground that Governments may engage the NGOs and other reputed “private” sector organisations as official data collection agencies.

14.2.75 The other side of the argument is that the Government cannot abjure its primary duty to collect data on as many aspects of people’s life as possible, there is no guarantee that data collection by private agencies would not be subject to its own biases, that monitoring the quality of such data would be difficult, and finally, that the competence of such agencies may be doubtful.

14.2.76 Since the issue relating to data collection by private agencies is complex and important, the Commission recommends that the proposed NCS would formulate the necessary guidelines in this respect from time to time. Till then a committee of Central and State statisticians and experts outside the Government should go into all aspects of the question, before any data collection work is outsourced by any Government agency in India.

Salient features of the Consultancy Services Wing

Salient features of the Consultancy Services Wing proposed in the report of the Steering Committee are given below.

- (1) The proposed consultancy company may be incorporated as Public Limited Company to be named as 'STAT INDIA LTD.' or 'STATISTICS INDIA' with its registered office at National Capital Region, Delhi to run on commercial lines with monitoring, quality of information/ statistics and a complete packaged solution as main motive.
- (2) The authorized capital may be taken as Rs. 50 crores, as it is expected that it may touch the limit in 5 years. The paid-up capital may be taken as Rs. 30 crores. Initially the Government will be holding the 100% shares of the company and at a later stage, when the company starts earning profit, it may be disinvested by offering to public the shares of the company in the form of (Initial Public Offer).
- (3) The main objectives of the proposed company would be to *inter alia* provide utility oriented quality and time bound services to its clients and stakeholders for conducting statistical surveys/ studies, in India and abroad, by making use of potential available in the private sector/ autonomous bodies on commercial basis, thereby strengthening the Indian Statistical System.
- (4) The proposed company would develop technical expertise in the field of conducting statistical surveys and would manage statistical operations and quality control; whereas the actual execution of any project would be done by private companies/ autonomous bodies empanelled the proposed company. The proposed Company will keep its margin for meeting its expenses.
- (5) The proposed company will have a Department of Marketing for planning expansion of its business through aggressive marketing strategies.
- (6) The main source of revenue of the proposed Company would be the consultancy services, technical expertise services and the statistical survey projects undertaken on task basis through vendors. Even if, the proposed company taps 25% of the

business reported to be available at Central Government level, the formation of the company will be viable.

- (7) The MOSPI has been exploring possibilities of bi-lateral cooperation in statistical sector with various countries, such as, SAARC Countries, African Countries and Latin American countries. Recently, the MOSPI has signed MoU with the Government of Mongolia and Afghanistan. More MoUs are likely to be signed in near future. The proposed company may find a lucrative market in these countries.
- (8) The total expenses for the proposed company is estimated to be Rs. 23.27 crores (Personnel expenses: Rs.11.21 crores, Administrative expenses: Rs. 5.07 crores, Other expenses: 6.99 crores).
- (9) The proposed company is expected to generate revenue from the year of inception. It is expected to cover 50% of its funding by the 5th year. Total independence in terms of expenses is expected by tenth year. The seed money (Rs.30 crores in the first three years) to start the proposed company needs to be given on annual basis through budgetary process on reviewing its physical and financials performances by MOSPI.
- (10) Some of the risk factors identified are delay in approval process of the concerned ministries/ departments and scarcity of qualified professionals (especially the statisticians).

CHAPTER-3

SEPARATE CONSUMER PRICE INDEX FOR GOVERNMENT EMPLOYEES

Background

3.1 Consumer Price Indices (CPI) are indicators to measure the effect of price rise on items purchased by consumers. The Labour Bureau has been compiling monthly All India Consumer Price Index for Industrial Workers (hereinafter referred to as 'CPI-IW'), earlier with base 1982 and presently with base 2001. The twelve monthly moving average of the CPI-IW as on 1st January and 1st July of each year is used by the Department of Expenditure of the Ministry of Finance in the Government of India for calculating the Dearness Allowance (DA) of the Central Government employees. Taking cue from the Central Government, the State Governments, PSUs, Banks and a few other organisations have been using the CPI-IW for regulating DA of their employees. The purpose of paying DA to employees is to protect the erosion in the real value of their basic salary on account of inflation.

Recommendations of the Sixth CPC

3.2 The Sixth Central Pay Commission (CPC) recommended inter alia that the National Statistical Commission (NSC) 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. The basic reasons for suggesting a separate index for Government Employees by the Sixth CPC were that the CPI-IW covered only specific centers and sectors and that over 50 percent of the families covered for the family income and expenditure survey for working class index in Delhi fell in the class that was less than the minimum earning of Government employees.

Reference from the Department of Expenditure

3.3 The recommendations of the Sixth CPC were accepted by the Central Government. A reference was received in the MOSPI 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 CPC. The MOSPI referred the matter to the NSC.

Examination by the NSC

3.4 In view of the aforesaid reference from the Department of Expenditure, the NSC considered views, suggestions and relevant inputs from

the Department of Expenditure, the DGET, the Central Statistics Office (CSO), the National Sample Survey Office (NSSO) and the Labour Bureau.

3.5 The Department of Expenditure, vide their communication no. 1(3)/2008-E-II (B) dated 24th April 2009, furnished Group-wise and Status-wise list of estimated number of Central Government Employees as on 1st March, 2007. The Department also stated in their communication that their Pay Research Unit does not collect location-wise strength of establishments. In order to understand the distribution of employees location-wise, results of the census of the Central Government Employees conducted by the DGET were referred.

3.6 The NSSO, vide their communication no. M-12011/17/2006-NSSO (CPD) dated 18th November 2008, stated that since the Government employees are more or less concentrated and scattered over urban centres, the CPI - Urban (CPIU), being compiled by the CSO could be used for deciding the release of DA to Government employees with possible extension of coverage of items etc., if necessary. The NSSO also suggested that additional resources need to be provided, in case a separate survey needs to be conducted.

3.7 The Labour Bureau, vide their communication no. 115/1/2009-CPI dated 24th February 2009, opined that the CPIU covers general urban population and its extent of coverage of Central Government employees' households is not known. The Labour Bureau also stated that the CPI-IW with base 2001, being presently compiled on the basis of data collected from 78 Industrial Centres representing the universe of manual workers belonging to plantation, mining and seven sectors of employment, constitutes a major chunk from the Railways sector who are Central Government employees. This according to the Labour Bureau is in line with the composition of Central Government employees, as majority of the employees (more than 90%) belong to Group 'D' and Group 'C' categories. The Labour Bureau also suggested that unless the NSC takes a view to conduct specific sectoral surveys in respect of Central Government employees, which, however, may add to the multiplicity of already existing series of index numbers, the CPI-IW is a better representative index for Central Government employees.

3.8 The CSO furnished a detailed note covering all relevant aspects, vide their communication no. M-13011/5/2008-PCL-NSC dated 19th November 2008. Important points given in the note are as follows.

- (1) The census of Central Government employees conducted by the DGET provides the size of total regular employment under the Central Government with Ministry-wise and Group-wise break-up.
- (2) For construction of CPI numbers for a specified segment of the population (in the instant case, Central Government employees), a specific family-budget and market survey covering the particular

- segment needs to be carried out. Considering the costs involved, such surveys are not generally done or are done infrequently.
- (3) Even in the case of CPI-IW, the family income and expenditure survey for industrial workers conducted during 1981-82 was repeated only in 1999-2000, after a gap of about 18 years.
 - (4) It may, therefore, be necessary to evolve a system of deriving consumption pattern using the data available from the surveys conducted regularly. Moreover, the expenditure pattern may largely/ mainly depend upon the income and not on occupation, particularly in urban areas.
 - (5) The CSO has been compiling CPIU through data collected from 310 selected towns in the country. 1114 quotations (price schedules) are being covered from these towns. The quotations were distributed to 3 categories of markets patronized by poor (274), middle (674) and affluent (166) segments. Weighting pattern for the CPIU was derived from the Consumer Expenditure Survey (CES) data of the National Sample Survey (NSS) 61st round (2004-05). The weighting patterns of CPIU and CPI-IW were thus different. The CSO has been releasing CPIU at State/ UT and all India levels with base 2010.
 - (6) Use of CES data of the NSS in the derivation of weighting diagram will facilitate revision of CPI series once in every five years. Imputed rent for self-owned dwellings is also included in the total consumption expenditure.

3.9 The NSC examined the consumption patterns of different sets of households on the basis of item-wise average monthly household expenditure from the NSS 61st round data. Consumption patterns of households pertaining to Government employees (may not be wholly of the Central Government), identified on the basis of industry-occupation classification were also examined. On the basis of these details, the NSC noted that the weighting diagrams of CPIU and the weighting diagram of urban households having specified industry groups approximately corresponding to government employees are in close proximity. The NSC, therefore, felt that there is no need for a separate specific survey covering government employees.

Conclusions arrived at by the NSC

3.10 The NSC arrived at the following conclusions, after examining the issue in great detail on the basis of the inputs available.

- (i) The CPI-IW being representative of manual workers in seven organized industrial sectors cannot be representative of Central Government employees.
- (ii) For compiling a separate CPI for Central Government employees, it would be necessary to conduct a separate family income and expenditure survey in respect of their households to construct a

separate weighting diagram, identify markets patronized by them and collect price data in respect of commodity specifications consumed by them. The weighting diagram so obtained is not likely to be very much different from the weighting diagram obtained from the 61st NSS Round data on consumer expenditure in respect of CPIU. With regard to markets and commodity specifications, it cannot be said that they are different for Government employees compared to the general urban population. For conducting a separate family income and expenditure survey in respect of households of Central Government employees, additional resources have to be provided not only for one such survey but also for repeating it at regular intervals. If the Sixth CPC recommendation of compiling chain index is to be complied with, such survey needs to be conducted every year. The analysis carried out by the NSC does not justify the option of conducting a separate survey.

- (iii) The CPIU data collected by the CSO has been examined in detail in terms of using it – (i) in the manner it is published, or (ii) in terms of leaving out 274 poor segment quotations using the CPIU weights, or (iii) in terms of applying state-level shares of no. of Central Government employees as weights in respect of indices compiled under option (ii). It was seen that the indices as also the resultant inflation rates are, by and large, same under the three options.

Recommendations of the NSC

3.11 In view of the above, the NSC recommended as follows.

- (i) There is no need for conducting a separate survey and compiling a separate CPI for Central Government employees.
- (ii) The twelve monthly moving average as on 1st January and 1st July of each year, obtained from the CPIU at all India level being published by the CSO, may be used for regulating DA and other allowances of the Central Government employees.
- (iii) The CSO shall revise the base for CPIU every five years coinciding with the NSS quinquennial consumer expenditure survey, using the data of that survey.

[Action: Department of Expenditure]

3.12 A detailed report on the findings and recommendations of the NSC was forwarded to the Department of Expenditure by the NSC Secretariat, vide OM No. 4(23)/2008-NSC dated 13th July 2012.

CHAPTER-4

NSSO MATTERS

Background

4.1 As already stated in para-1.6, the functions of the erstwhile Governing Council of the NSSO became the mandate of the NSC w.e.f 30th August 2006. In exercise of the mandate, the NSC has *inter alia* been deciding the subjects to be surveyed in each NSS round, formulating the methodology for each round, devising the tabulation plan for presenting results, and according approval for release of reports. The NSC has constituted Working Groups, from time to time, comprising experts within and outside the Government, to assist it in all these matters. The survey instruments formulated by the Working Groups and approved by the NSC are followed in each NSS round by the NSSO and the participating States/ UTs. The tenure of each Working Group constituted for an NSS round would commence with preparing all the survey instruments relating to the round and conclude with dissemination of survey reports, including conducting a seminar on the results and experiences gained through the survey.

Standing Committee on NSSO matters

4.2 The NSC, on 29th February 2012, constituted a Standing committee on NSSO matters, under the chairmanship of a Member of the NSC, to look into all technical issues referred to it from time to time in respect of NSS, which are not possible to be looked into by Working Groups on NSS. Prof. Shibdas Bandyopadhyay, Member, NSC was the Chairman of this Committee till completion of his tenure in the NSC. Dr. R.L. Karandikar and Prof. Chandan Mukherjee are members in this Committee. The DG, NSSO is the member-secretary of this Committee. The NSC in its 57th meeting noted that the functioning of this Committee is adversely affected due to vacancies in the position of DG, NSSO and ADG, NSSO (SDRD). Since DG, NSSO is the convener of this Committee, the NSC desired that the CSI or his nominee may convene the meetings of the Committee. It was also decided in this meeting to continue Prof. Shibdas Bandyopadhyay as the Chairman of this Committee until a new arrangement is made. Accordingly, orders were issued on 5th February 2013.

Working Groups currently functioning

4.3 The subject coverage for the NSS has been decided by the NSC up to the 71st round. Working Groups have been constituted by the NSC, separately for each round. The following Working Groups have been functioning during the period under report.

| Round No. | Subject | Survey period for the round | Name of Chairperson and other non-official members in the Working Group | Date of constitution of the Working Group |
|------------------|--|-------------------------------|--|---|
| 68 th | Quinquennial survey on Consumer Expenditure and Employment-Unemployment | July 2011 to June 2012 | Prof. A.K.Adhikari, Prof. K. Sundaram, Prof. Dipankor Coondoo, Dr. C. Ravi, Dr. Indira Hirway | 25-8-2010 |
| 69 th | Drinking water, Sanitation, Hygiene, Housing conditions (including slums) | July 2012 to December 2012 | Prof. Amitabh Kundu, Dr. Pulakesh Maiti, Dr. Amit Choudhury, Representative of UNICEF | 20-10-2011 |
| 70 th | Land holdings, Livestock holdings, Debt and Investment, Situation Assessment Survey of Farmers | January 2013 to December 2013 | Dr. A. Vaidyanathan, Dr. Sucha Singh Gill, Prof. D. Narasimha Reddy, Dr. U.C. Sud, Dr. Sushanta Kumar Nayak | 7-2-2012 |
| 71 st | Social Consumption comprising 'Health and Morbidity' and 'Education' and access to, and use of ICT, Type studies to update rates and ratios used in compilation of National Accounts | January to June 2014 | Prof. Rajeeva Karandikar, Prof. Jandhyala B. G. Tilak, Dr. Faujdar Ram, Prof. Prasanta Pathak, Dr. Arindam Chakrabarty | 13-12-2012 |

4.4 Prof. Shibdas Bandyopadhyay, Member, NSC was included in the aforementioned Working Groups as an Invitee till completion of his tenure.

Survey reports and data released

4.5 During the year 2012-13, the NSSO, with the approval of the NSC, released the following eleven reports based on the data of the NSS 66th round (July 2009- June 2010) and the NSS 67th round (July 2010- June 2011).

- 1) Key Results of Survey on Unincorporated Non-Agricultural Enterprises (Excluding Construction) in India
- 2) Energy Sources of Indian Households for Cooking and Lighting.
- 3) Employment and Unemployment Situation Among Social Groups in India
- 4) Household Consumer Expenditure across Socio-Economic Groups
- 5) Public Distribution System and other Sources of Household Consumption
- 6) Operational characteristics of Unincorporated Non-agricultural Enterprises (Excluding Construction) in India
- 7) Perceived Adequacy of Food Consumption in Indian Households
- 8) Home Based Workers in India
- 9) Economic Characteristics of Unincorporated Non-Agricultural Enterprises (Excluding Construction) in India
- 10) Participation of Women in specified Activities along with Domestic Duties
- 11) Status of Education and Vocational Training in India,

4.6 Unit Level Data in respect of Schedule 2.34: Unincorporated Non-Agricultural Enterprises (Excluding Construction) of the NSS 67th round (July 2010- June 2011) has been released by the NSSO.

Findings of the Summary sheet used in the 68th NSS round

4.7 The data collection in respect of the 68th NSS round was completed in June 2012 in accordance with the methodology approved by the NSC. To facilitate quick compilation of sub-round-wise data on consumer expenditure, a Summary sheet was introduced on experimental basis, in the Consumer Expenditure Schedule of this round. The quick compilation is intended to provide a preliminary distribution of MPCE.

4.8 The NSSO compiled the summary sheet data and presented it before the NSC in its 51st meeting. The quality of the data was found to be of desired quality. The NSSO proposed in this meeting that the summary sheet results could be used as quick provisional estimates of consumer expenditure. It was also decided in this meeting that final results of the first two quarters and provisional results of last two quarters of the 68th round would be released after circulating the draft results to the Chairperson and Members of the NSC and taking their views. In the 54th meeting of the NSC, the Addl. DG, NSSO (SDRD) reported that summary results for the 68th NSS round have been released.

Approval of methodology for the NSS 69th Round

4.9 The methodology formulated by the 69th NSS Round Working Group was placed before the NSC in its 49th meeting. With regard to the issue of imputing house rent in respect of owner occupied houses in rural areas, it was noted that a Sub-Committee of the 69th round Working Group, under the

Chairmanship of Prof. Pulakesh Maiti is looking into it. The NSSO conducted an all India Training of Trainers at Delhi in March 2012, in which the resource persons of the NSSO and the States/ UTs were imparted training on the methodology. This will be followed up by organizing Regional Training Camps (RTCs) by the resource persons to impart training to the field staff, who would be engaged in data collection.

4.10 With regard to organizing RTCs, the NSC made the following recommendations in its Annual Report for the year 2011-12.

- a) A combined RTC (Regional Training Camp) be organized for staff of both Centre and State by regional office of NSSO for ensuring use of uniform concepts/ definition/ instructions and clarifications and to reduce non-sample errors. Duration of RTC should be at least 4 days with two days intensive training, one day field visit and one day reconciliation. Two officials from each district statistical office may be invited. Training should be given preferably in local language. State DES should also hold RTC at district level for at least 4 days in the line of RTC organized by regional office of NSSO.
- b) In the combined review RTC held at regional office of NSSO, few officers from DES may also be invited. This should be organized immediately after completion of field work of first few samples to facilitate the field investigators of both centre and state to get uniform clarifications on the conceptual problems faced by them while doing the field work. State DES should also hold review RTC on similar lines, associating their District level functionaries.

4.11 After collecting data, the NSSO and the States/ UTs are expected to process the data collected by them and release reports. The NSC recognised the fact that data collection, processing and release of reports/ data by the NSSO in respect of villages and urban blocks covered by it (known as Central Samples) and by the States/ UTs in respect of villages and urban blocks covered by them (known as State Samples) shall be done more or less simultaneously in order to provide better service to users and also to facilitate pooling of estimates obtained by both the agencies to get sub-state level estimates.

Approval of methodology for the 70th NSS Round

4.12 The Working Group of the 70th Round formulated methodological instruments for the survey. Based on the methodology, the All India Training of Trainers for the round was held in September, 2012. In the 57th meeting of the NSC, Prof. A. Vaidyanathan, Chairman of the 70th Round Working Group briefed the NSC on the improvements brought in, in the methodology formulated for the Round.

Subject coverage for the future rounds of the NSS

4.13 The survey period and subject coverage for the 10-year cycle of NSS rounds were earlier decided up to the 72nd NSS Round (survey period: July 2014 – June 2015). According to this, the subject coverage for the 68th round was not decided and it was kept open to accommodate demands from users and the subject coverage for the 72nd round was decided to be the quinquennial survey on consumer expenditure and employment-unemployment. Subsequently, it was decided to conduct the survey on consumer expenditure and employment-unemployment in the 68th round on the lines done during the 66th round, as it was perceived that the 66th round survey period 2009-10 was a non-normal year. In view of this decision, the subject coverage for the 72nd round needed a review.

4.14 The issue of deciding subject coverage for the future rounds of the NSS was considered in the 50th, 55th and 57th meetings of the NSC. It was felt that the 68th NSS round being the quinquennial round on consumer expenditure and employment-unemployment due to repeating the 66th round, it may not be necessary to have the 72nd round as the quinquennial round on the same subjects. Instead, it may be advisable to survey some other subjects in the 72nd round and have the quinquennial round in the 74th round. In view of this, it was decided that the next ten-year cycle of NSSO would commence from the 72nd round and that the next quinquennial round on consumer expenditure and employment-unemployment would be taken up in the 74th round instead of the 72nd round.

4.15 With regard to subject coverage in the next ten-year cycle, it was felt that, some of the subjects being repetitive in nature, it would be necessary to decide only on subjects, for which slots would be available. Some demands were already received in the NSSO from line Ministries. In his report on statistical audit, Dr. N.S. Sastry recommended that follow-up enterprise surveys on unorganized sector may be conducted in alternate years. At the instance of the NSC, the NSSO sought suggestions about coverage in NSS from line Ministries at the Centre, States/ UTs, RBI and the Planning Commission. Views received from some of them were noted by the NSC.

4.16 The Addl. DG, CSO (NAD) reported to the NSC that the Advisory Committee on National Accounts is in the process of evolving a calendar for periodic updating of rates and ratios used in compilation of national accounts. He also stated that the calendar will be an important input for deciding the next cycle of NSS Rounds. The CSI was of the opinion that a host of other factors such as the requirement of periodic/ quarterly data on employment-unemployment, thin round on consumer expenditure and other demands need to be prepared and a questionnaire has to be formulated by the NSSO to elicit specific opinion from users within and outside the Government, including the Planning Commission. Prof. Shibdas Bandyopadhyay, Chairman of the Standing Committee on NSSO matters, referred to the recommendations of the Rangarajan Commission and stated that

methodological studies may also find a place in the calendar of activities of the NSSO, that a dedicated unit may be established for the purpose and that the unit may be in constant touch with the Standing Committee.

Underestimation of population in NSS

4.17 The issue of underestimation of population in the NSS was studied in the past by a Committee under the Chairmanship of Dr. Bimal Roy, by Shri S.K. Sinha, former DG of the NSSO and by a Committee of officers comprising the representatives of the NSSO (SDRD), the ORGI and the NCAER.

4.18 The Bimal Roy committee studied the issue on the basis of the data of the 61st round. Subsequently, the NSSO (SDRD) studied the issue on the basis of the results of the 64th round. It was generally observed that the extent of underestimation was of alarming proportions in respect of the urban sector. The NSSO reported that steps have been taken by them through revised guidelines for the Urban Frame Survey (UFS) phase 2007–12 to address the issue of underestimation of population in NSS in the urban areas. The NSC reviewed the progress made on this issue, in its 52nd meeting.

State participation in NSS

4.19 The villages and urban blocks selected for survey in each NSS round are prepared in the form of two sets, called 'Central samples' to be surveyed by the NSSO and the 'state samples' to be surveyed by the States/ UTs. Thus, state participation has been an important feature in the NSS.

4.20 The data on central and state NSS samples provide two datasets. Using these two sources of data independently, it would be possible to generate reasonable estimates at state level. However, in order to generate estimates at sub-state level, it is necessary to use the two datasets together. The process is known as 'pooling of data'. This necessitates that the NSSO and the States/ UTs conduct each NSS on the same lines, by the same time and release their data more or less simultaneously. Often, it was noticed that the two datasets were not ready at a time.

4.21 The issue of pooling of data was looked into, in detail, by a professional Committee of the NSC under the Chairmanship of Prof. R. Radhakrishna. The report of the Committee was accepted by the NSC. The recommendations of the NSC on the basis of the report of the Committee were included in the Annual Report of the NSC for the year 2011-12. The matter was reviewed again by the NSC in its 56th meeting. The NSSO (DPD) submitted a note to the NSC on implementation of the recommendations of the NSC on pooling of data. It was reported in this meeting that the state sample data of the 66th NSS round in respect of Orissa and Bihar are ready for pooling. With regard to ensuring effective State participation in NSS, the CSI reported in this meeting that it would be looked into in a phased manner by extending, in the first stage, all cooperation to those States who have been

processing state sample data and subsequently extending the experience to the remaining States.

Progress on making use of data in listing schedules of the NSSO

4.22 Two-stage sampling design is followed in the NSS, where the first stage units are selected villages/ urban blocks and the second stage units are selected households/ enterprises in each selected village/ urban block. In order to select households/ enterprises, a list is prepared and some additional information is also collected in each selected village/ urban block. This exercise is done in the prescribed formats, called 'listing schedules'. The data in the listing schedules, except those items that are required for computing sampling multiplier, are not processed and hence, not disseminated. The feasibility of placing data contained in the listing schedules as also the parameters on which data can be generated over and above what is being presently made available through dissemination of unit level data in the public domain, was considered and it was decided that the information collected on village amenities in the listing schedules shall be tabulated and presented in the reports of NSS. It was reported that the Standing Committee on NSSO matters is examining the feasibility of collecting more information through the listing schedules, which can be placed in the public domain.

Progress on conducting a pilot on periodic labour force survey

4.23 At the instance of the NSC, a periodic labour force survey was conducted by the NSSO on a pilot basis in three States to measure employment and unemployment on quarterly basis. The progress made was reviewed by the NSC in its 50th, 54th and 56th meetings.

4.24 A meeting was held by the NSSO on 15th June, 2012 to review the results of the pilot and the experiences gained thereof. The CSI reported to the NSC that an internal committee would be set up to look into the results on key parameters emanating from the pilot. He also informed the NSC that the pilot would be continued for one more year.

Manpower problems in the NSSO (FOD)

4.25 The Field Operations Division (FOD) in the NSSO is responsible for data collection in all NSSO surveys concerning Socio-Economic, Industrial statistics, Agricultural Statistics, Prices and other Miscellaneous Surveys as per the approved programmes. It is also responsible for updating the urban frame for conducting Socio-Economic surveys in urban areas. All the programmes are time bound and very crucial for developmental planning.

4.26 The FOD, of late, has been encountering various manpower related problems mainly due to cadre structure, disparity in pay bands in comparison to similarly placed employees of other organizations and methodology

adopted by Staff Selection Commission in the placement of selected persons. An urgent need was felt to address these issues.

4.27 The NSSO submitted a detailed note to the NSC on the vacancy level of investigators and the problems in the recruitment process. The note was considered by the NSC in its 50th meeting. The in-charge Addl. DG of the NSSO (FOD) made a presentation before the NSC in this meeting. The NSC deliberated on the issues and decided to take up the matter at higher level.

4.28 On the basis of the aforementioned decision, the Chairperson of the NSC, vide his DO letter no. 1/2/2009-NSC-CH dated 27th July 2012, addressed to the Hon'ble Prime Minister stated that the NSSO has been facing many administrative problems over a decade, which has been impacting the quality and timeliness of the data collected by it. As these are concerned with the credibility of the official statistical base of the country, the Chairperson furnished a note on the problems and possible solutions, in his letter. The note is given at Annex-4.1.

Recommendations of the NSC

4.29 The NSC made the following recommendations on the aforementioned issues.

- (1) Provisional results in respect of key parameters for each quarter may be introduced as a new product of the NSSO from the 69th NSS round onwards. In order to achieve this, a dedicated web portal may be created so that FOD may enter and submit summary data through the web portal to the DPD/ SDRD for further processing and dissemination.
- (2) The methodology formulated by the 69th Round Working Group was approved by the NSC.
- (3) The recommendations on organizing RTCs mentioned in para-4.10 may be followed in respect of the 69th NSS Round by the NSSO and the States/ UTs.
- (4) Action plan formulated by the NSS 69th Round Working Group for the NSSO may be brought to the notice of the concerned Departments in the States/ UTs at highest level and they be requested to activate their official machinery to cope up with the targets given thereof in respect of State samples to facilitate timely release of reports/ data by States/ UTs and pooling of central and state samples.
- (5) The methodology formulated by the 70th NSS round Working Group was approved by the NSC.

- (6) The next ten-year cycle of NSSO would commence from the 72nd round and the next quinquennial round on consumer expenditure and employment-unemployment would be taken up in the 74th round. With regard to subject coverage in the next ten-year cycle of NSS, the NSSO may organize a Workshop to have wider consultation on the issue, particularly with academic experts and users outside the Government.
- (7) Population estimates may be prepared by the NSSO on the basis of the 68th NSS round summary data, in order to assess the impact of improvisations attempted by the NSSO.
- (8) With regard to pooling of Central and State samples of NSS, -
- (a) the NSSO (DPD) may coordinate implementation of the recommendations of the NSC on pooling of data;
 - (b) the NSSO (DPD) may take up the exercise of pooling in respect of the two States of Orissa and Bihar, to begin with;
 - (c) using the experience gained on pooling of data of Orissa and Bihar, the DPD may organize Workshops to sensitize other States/ UTs in taking up the exercise;
 - (d) the Workshops to sensitize States/ UTs may be organized separately for different groups of States/ UTs, the groups having been decided on the basis of extent of preparedness of the States/ UTs; and
 - (e) progress achieved, on ensuring effective State participation in NSS, may be reported to the NSC from time to time.
- (9) The MOSPI may coordinate with the concerned Ministries and Organisations for implementation of the suggestions given in the note of the Chairperson, NSC referred at para-4.28.

[Action: MOSPI]

**Some administrative problems in the NSSO (FOD)
and possible solutions**

The National Sample Survey Organisation (NSSO) operates through four Divisions, namely, the Survey Design and Research Division (SDRD), the Field Operations Division (FOD), the Data Processing Division (DPD) and the Coordination and Publications Division (CPD). The FOD, through its field staff located in its field offices, collects socio-economic data, which is required for planning and policy formulation.

Lack of Knowledge of Local Language

2. The field functionaries of the FOD belong to Subordinate Statistical Service (SSS). The SSS has two Grades, namely Gr-I and Gr-II. The Gr-I officers have higher responsibilities, as they collect data from organized sector and supervise the agricultural statistical work of state level functionaries. The Gr-II officers collect data mostly from households and small enterprises, whose response is sought on voluntary basis. The field staff of the FOD require knowledge of local language and customs of the State/ UT, where they are posted.

3. Vacancies in Gr-II are filled through direct recruitment and those in Gr-I are filled through promotion of officers of Gr-II. The direct recruitment to Gr-II is carried out on the basis of an examination and interview conducted by the Staff Selection Commission (SSC). The SSC conducts the selection process in a manner consistent with the Recruitment Rules (RRs) of Gr-II. The existing RRs do not provide for selecting candidates separately for each State/ UT. The merit list is drawn at all India level by the SSC, as a result of which the field offices in some of the States/ UTs do not get persons with knowledge of local language. When persons of one State/ UT are posted in another State/ UT, they find it difficult to work. This is the main reason as to why the attrition rate is very high in Gr-II of SSS.

Discrimination in Grade Pay

4. The SSC conducts a combined examination for different cadres, including the Gr-II of SSS. The candidates applying for Gr-II of SSS take examination in an additional paper, compared to persons applying for other cadres. It was reported that the additional paper prescribed by the SSC is on statistics and its difficulty level is very high. This could also be a reason for not getting adequate number of candidates for Gr-II of SSS. An additional deterrent is that the Grade Pay applicable to Gr-II of SSS is Rs. 4,200, while it is Rs. 4600 for other cadres covered under the combined examination! This negative discrimination is perhaps driving eligible statistics students not to opt for Gr-II of SSS.

Unfilled Vacancies and Contract Enumerators

5. At present, there are over 1100 vacancies in Gr-II of SSS in the FOD out of a total allocation of 1967 posts. The field work is being carried out through contract enumerators, recruited at state level. They were trained by the FOD to enable them to take up field duties. A group of contract enumerators recruited about three years back have been continued with some intermittent breaks and they are still on the job.

Lack of Incentive for Field Work

6. Of the total positions in Gr-II of SSS 80% are in the FOD and about 20% in other offices. The job of the 20 % is stationary in nature, and those of the FOD are field duties. The persons posted in the field have to collect data on a voluntary basis from different types of informants. Hence, their duties are not well-defined and have to be performed in different terrains and conditions. But, from the point of view of pay and allowances, they have no additional incentive.

7. Field inspections and scrutiny of the data collected are the internal quality control measures in FOD. In respect of the data collected by the Gr-II SSS officers, these duties are assigned to the Gr-I SSS officers. But, in the case of the data collected by the Gr-I SSS officers, adequate machinery is not available. The FOD operates through 165 field offices, of which about 116 offices have no officer above the Gr-II and Gr-I of SSS. These offices have no manager to ensure field discipline.

8. The aforesaid problems are very serious and unless addressed would lead to deterioration of quality and credibility of data.

Suggested solutions

9. To overcome these problems, the following are some of the suggestions:

(i) The recruitment rules of the Gr-II of the SSS need to be amended to –

- (a) there is need for allocating vacancies State/ UT-wise, allocate posts or vacancies at State/ UT level, as per the requirements of FOD;
- (b) there is need for fixing domicile requirement of a certain minimum period (say, 5 years) and passing Matric level examination with the official language of the State/ UT either as a subject or as the medium of instruction, as essential qualifications for the examination against posts/ vacancies of the respective State/ UT;

- (c) facilitate the SSC to conduct the all India examination as usual and draw State/ UT-wise merit lists in accordance with the number of vacancies to be filled in each State/ UT; and
- (d) facilitate the FOD field offices to go for contractual appointments locally for a maximum period of one year during the period the vacancies are notified to the SSC and the candidates recommended by the SSC join for duties.

(ii) The Grade Pay of Gr-II SSS may be raised to Rs.4,600.

(iii) A field allowance of Rs. 3,500 per month to GR-II SSS officers and Rs. 5,000 per month to Gr-I of SSS officers may be sanctioned, when they are posted on field duties.

(iv) The additional paper on statistics in the combined examination conducted by the SSC may be fixed at a standard equivalent to statistics paper of B.Com level, so that the additional paper may not act as a deterrent in attracting candidates.

(v) One post of Assistant Director for every three districts at the Junior Time Scale may be provided in the FOD, so that survey management could be carried out in accordance with the norms.

(vi) There are trained contract workers with an experience of two or three years. In view of the acute shortage of regular trained enumerators, these enumerators may be given an opportunity. As a one-time measure, the trained contract enumerators working in the FOD may be given an opportunity to appear in the SSC examination for the post of Gr-II SSS. They may be given age relaxation for the purpose. A quota of 30 % vacancies may be provided to take them into the service. As the FOD have spent their resources in imparting training to them, this will enable the FOD to make use of their service on a regular basis.

CHAPTER-5

QUALITY ISSUES

Quality of IIP data and trade data

5.1 The Parliamentary Standing Committee on Finance, in its fifty-fourth report on demands for grants (2012-13) for the MOSPI, recommended/observed as follows:

"Steps have been taken from time to time to improve the collection of vital economic statistics in the country. However, the Committee are constrained to note that even today this leaves much to be desired. A recent instance was the IIP data for January 2012 which was revised from 6.8 percent to 1.1 per cent. This raises serious questions about the reliability of the data offered by the Ministry. A similar instance has occurred in India's trade data when the April – October, 2011 export figures were reduced by \$ 8.8 billion. The Committee are seriously concerned at this flaw which projects not only the Government but the entire country in a poor light. The Committee would like an independent inquiry to be conducted in data errors of such magnitude and the report made available to the Committee within three months."

5.2 The NSC took note of the aforementioned directions of the Parliamentary Standing Committee and recommended that an expert may be appointed by the MOSPI to look into the issue from the records and processes of the concerned offices and submit a report. The NSC also suggested names of experts for taking up the assignment. Accordingly, the MOSPI, on 18th May 2012, appointed Dr. R. B. Barman to take up the assignment. The report of Dr. Barman was received by the CSO on 4th July 2012 and it was considered by the NSC in its 52nd and 56th meetings.

5.3 With regard to the errors in IIP data, Dr. Barman, in his report, concluded inter alia as follows.

- The production of 134.08 lakh tonnes of sugar mistakenly reported in January 2012 by the Directorate of Sugar, a source agency for IIP data, was completely out of alignment with the past production. This error could not be detected in the CSO (ESD) because they undertake checking of data for detection of outliers based on per cent variation.
- There are quite a few items for which point-to-point annual growth crosses 100%. For January 2012, variations exceeding specified percentage limits based on filtering of data were observed in respect of 179 items and these were pointed out to the source agencies who supplied the data to the CSO. Of these, confirmations were received for 115 items. For 64 items, no confirmation was received from the

concerned source agencies. This could be a potential source of error which needs to be investigated.

- As point-to-point annual growth crossing 100% has been more or less a regular feature of distribution of growth rates, sugar with point-to-point growth rate of 175 per cent in January 2012 was not considered as highly exceptional by the CSO (ESD).
- The method of checking the data for detection of possible errors, being followed by the CSO (ESD) for a long time, was found to be inadequate. CSO does not have a Manual on verification of data.
- The system being followed by the Directorate of Vanaspati, another source agency for IIP data, for collection of primary data from the producing units and their monitoring for non-response is very rudimentary. Directorate of Vanaspati was found to be a weak link in terms of data quality.
- The kind of estimation of monthly production adopted by the Coffee Board, which is also a source agency for IIP data, may not appropriately reflect supply side pressure on a monthly basis.
- CSO (ESD) maintains data in Excel sheets. This falls very much short of modern relational database management system (RDBMS) with possibilities of introducing strong in-built mechanism for introducing audit trails on data integrity.
- The data collection for IIP should be centralized under the control of CSO.
- Web based system for collection of data can be designed to provide useful validation checks at the time of submission of data by respondents so that gross errors are eliminated at the first stage itself.
- There should be automated reminder generation through e-mail or SMSes.
- Call centers can be set up to deal with default as a cost effective and efficient mechanism.

5.4 The CSO (ESD) made a presentation before the NSC in its 56th meeting explaining the details of action taken/ proposed to be taken by them on the report of Dr. Barman in respect of the IIP. In their presentation, the CSO (ESD) stated inter alia as follows.

- Data validation method has been modified to check the absolute values of production figures going beyond minimum and maximum range based on the last one year data and to get confirmation of abnormal data from the concerned source agencies. Letters were addressed to all the source agencies at the level of the CSI requesting for prompt response on variation statements. This coupled with persistent follow-up by the CSO (ESD) resulted in improving the situation, as confirmations/ clarifications are being regularly received from the source agencies.
- Quality of data from some of the source agencies is not satisfactory. The source agencies are having their own problems/ limitations. For example, as there is only one crop harvested in a year, the Coffee

Board estimates monthly production of coffee based on the monthly proportion of exports. Detailed discussion was done with the Coffee Board officers in a Workshop and it seemed that the production figures supplied by them related to agricultural production of coffee.

- All the issues relating to the IIP including the report of Dr. Barman are being looked into by a Working Group under the Chairmanship of a Member of the Planning Commission. The Working Group recommended in its 2nd meeting that CSO (IS Wing) should be entrusted with the overall responsibility of IIP data collection with the help of NSSO (FOD) and some other existing source agencies having unmatched expertise in their own fields for a group of specific items (like sugar, minerals, electricity, salt etc.). The Working Group also recommended that the data collection for the IIP shall be carried out under the provisions of the Collection of Statistics Act, 2008 and that a web-portal system should be developed for on-line submission of data by the elementary units (factory, mill, pits etc.). These recommendations are being examined by the CSO (ESD) in consultation with the National Informatics Centre.
- A manual will be prepared for the new series of IIP with the approval of the Working Group.

5.5 With regard to external and domestic trade, Dr. Barman, in his report, made the following recommendations/ observations.

- The system of processing of data at Customs end is highly complex. The checks and balances in place to ensure data integrity allows very restricted access to the ICES system, as it should be. However, statistical validation of data undertaken by the DGCI&S for checking the quality of data throws up many inconsistencies regularly. At present, the DGCI&S refers back many of these inconsistencies to ports, exporters etc. The Customs authority observed that the DGCI&S referring to different ports create complicity. But how does the DGCI&S solve its problem of referring back if main MIS is not accessible to them, for regular checks becoming necessary from data validation exercise? As the main MIS system is located at Delhi in the premises of Customs authority, this should be the single point of reference on all ports. The DGCI&S should consider how to implement this considering the systems and programming skills required along with statistical expertise. Customs should allow facility of accessing main MIS system.
- Manually sent data from the Customs constitute 13.55 per cent of volume of exports and 19.17 per cent of volume of imports. This portion is a source of delayed processing and prone to transcription error. As mentioned by the DGCI&S, exports going through Special Export Zones (SEZ), reported through NSDL, are satisfactory.

- The system currently used by the DGCI&S was set up in 2001. The technology available now is vastly improved with capabilities of drilling down, drilling up and drilling across seamlessly. This technology can be used for advanced intelligence including artificial intelligence. For example, India's exports are reported as imports in destination countries. The country – commodity wise trade data are published regularly by many countries. The DGCI&S should develop a system to use this data for validation of India's trade figures with these countries. This exercise may have other interesting spinoffs for policy. Thus, the DGCI&S will do well to go for technology up gradation to create facilities for data warehousing and business intelligence (DWBI) and retrain staff for using advanced intelligence, befitting the name of the organization and long tradition.
- The bulk of the data captured in EDI system are available almost immediately to the DGCI&S. It is desirable to undertake validation of these data simultaneously. This should help in reducing time lag on availability of trade data.
- There is a need for much better coordination between Customs authority and the DGCI&S to review problem areas, share information and work concertedly. This should be at an appropriate level for its effectiveness.

5.6 The DGCI&S furnished a note in respect of the measures taken/proposed to be taken by them on the aforementioned observations in the report of Dr. Barman and the note was considered by the NSC in its 56th meeting. The DGCI&S stated as follows.

- The report has correctly assessed the need to make the main MIS system located in Delhi as the single point of reference for all ports as also the need to make this system available to the DGCI&S for data validation purposes. Although the report had not explicitly spelt out how this recommendation could be implemented, it has categorically mentioned that persons identified to shoulder this responsibility should have systems and programming skills as well as statistical expertise. We feel the best way to implement this recommendation may be to extend the connectivity between the Computer Centre and the ports to the DGCI&S Head Quarters at Kolkata and provide user-id and password to access the MIS server. This will enable the DGCI&S to run queries relevant to its requirement for data validation.
- After implementation of ICES software version 1.5, the transaction level data for both export and import for EDI ports continue to be received directly from the ICEGATE. However, the individual ports do not have any access to the transaction level data being generated at the port level. As a result, the individual ports can no longer provide the data for the missing dates in the upgraded system nor can they

provide any clarification on the queries raised by the DGCI&S during the process of data validation. The DGCI&S posts at the ports in Mumbai, Chennai and Cochin have therefore become irrelevant. We feel that it would be appropriate if these posts currently manned by Indian Economic Service officers are transferred to the DGCI&S Head Quarters at Kolkata and manned by ISS officers with experience in data processing. The work which was hitherto being undertaken through the port officers will now be taken up from the Headquarters at Kolkata. A proposal to this effect is under submission to the DGFT/ Department of Commerce.

- A list of 117 ports has been provided to DG (Systems) in the CBEC to consider their gradual conversion to EDI ports. The DGCI&S has also taken up with a number of manual ports to provide data in the Non-EDI mode. The position is gradually improving with more manual ports coming under the Non-EDI fold.
- The implementation of the recommendation on DWBI etc., will require deeper examination and has large financial implication. However, the process of data reconciliation with some of our major trading partners has already been initiated.
- The DGCI&S is making concerted efforts to reduce the time lag in processing and availability of trade data at 8-digit level within 90 days. The principal commodity-wise data for September 2012 has been released on 29.10.12 within one month. The 8-digit level data for August will be released before 15th November 2012.
- Regular meetings are held with DG/ ADG Systems. However, there is no such formal arrangement in place. Our proposal to institutionalize this arrangement had not been earlier agreed to by DG Systems. We propose to take up with the CBEC through the DGFT/ Department of Commerce to have a permanent mechanism in place.

5.7 The NSC appreciated the aforementioned efforts being made by the CSO (ESD) and the DGCI&S in improving data quality.

Proposals for conducting surveys by line Ministries

5.8 The MOSPI, in consultation with the NSC, issued guidelines, vide Gazette Notification No. 232 dated 5.12.2011 published in the Gazette of India, Extraordinary, Part III-Section 4, for organizing surveys by line Ministries/ Departments at the Centre. These guidelines are purported inter alia to ensure quality of data through the oversight of the NSC.

5.9 In the light of the aforesaid guidelines, proposals for conducting surveys have been received in the NSSO (CPD) from the Ministry of Micro, Small & Medium Enterprises (MSME), Ministry of Labour and Employment,

and Ministry of Tribal Affairs. These proposals were considered by the NSC in its 49th meeting. After detailed deliberations on the proposals, the NSC made specific recommendations, which are given in the following paragraphs.

5.10 With regard to the proposal of the Ministry of Micro, Small & Medium Enterprises on undertaking sample surveys on MSME sector, received vide their letter no. 19(1)/2011-S&D dated 24th February 2012, the NSC desired that the Ministry may furnish further details, such as objectives of the survey, details of the parameters to be measured, sources of data, method of data collection, statistical frames to be used, reference period, nature of business records that may be consulted during data collection, proposed period of data collection, fall back options in case NSSO is not in a position to take up the survey, and other statistical uses, if any, of the data proposed to be collected; to facilitate better understanding of the proposal. The NSC also desired that the details furnished by the MSME may be examined, by the Nodal Officer notified under the Collection of Statistics Rules, 2011, in the context of avoiding unnecessary duplication and he may furnish his advice in writing. The NSC would consider the issue again on the basis of both these inputs.

5.11 Taking note of the proposal of the Ministry of Labour and Employment on contract labour, the NSC recommended that a Working Group may be constituted by the MOSPI to formulate methodology (including sampling design), undertake pilot testing as may be necessary and submit its report to the NSC within six months. The composition of the Working Group suggested by the NSC was – (i) Prof. T.S. Papola – Chairperson, (ii) Prof. Arijit Chaudhury – Member, (iii) Dr. Sharat Bhowmik – Member, and (iv) Shri G.C. Manna, DDG, MOSPI – Member Secretary. The NSC also desired that concerned Departmental representatives may also be included in the Working Group and that the Working Group may co-opt an expert from the North Eastern Region and other experts, as may be necessary. The NSC further desired that the Ministry of Labour and Employment may furnish the details of statistical information collected by them under the Contract Labour (Regulation & Abolition) Act, 1970 and the Rules made there under for consideration by the Nodal Officer notified under the Collection of Statistics Rules, 2011 along with other material for tendering his advice on avoiding unnecessary duplication. The NSC also suggested that the details and the advice of the Nodal Officer may also be placed before the Working Group. The NSC desired that the report of the Working Group and the advice of the Nodal officer may be placed before it for consideration.

5.12 The Ministry of Tribal Affairs proposed for conducting a Situation Assessment Survey on the status of scheduled tribes through the NSSO. It was noted that the 44th Round of NSS was devoted mainly to three enquiries, viz., 'living conditions of the tribal population', 'housing condition of the general population' and 'building construction activity', and that the subjects for coverage in NSS till the 72nd Round of NSS (July, 2014 – June, 2015) have already been decided. It was also noted that no specific survey on tribes was carried out by the NSSO after the 44th Round. Even if it is decided to devote

one round for the subject, it could happen only after June, 2015. The CSI informed that the results of the population census and the caste census might be available by that time and most of the data needs of the Ministry of Tribal Affairs could be fulfilled through these sources. Under these circumstances, the NSC desired that the Ministry of Tribal Affairs may examine their proposal again in the light of these facts and make a detailed presentation. Accordingly, the Secretary, Ministry of Tribal Affairs and the team of officers from that Ministry made a presentation before the NSC in its 52nd meeting, listing out the data requirements in respect of tribes, over and above what could be available from the population census and the caste census. It was reported that most of the results of the Censuses would be available by December, 2012 and all the results are likely to be available by 2013. The NSC desired that the Ministry of Tribal Affairs may look into the data available from the Censuses, the surveys such as those of the NSSO, the ORGI, and the Ministry of Health and Family Welfare, and other administrative sources and work out their requirements afresh, duly considering the sociological, cultural, economic and other aspects of tribes. It was suggested by the NSC that a Group may be constituted by the Ministry of Tribal Affairs to work out the details of data requirements in respect of tribes in terms of different dimensions. A survey could be planned thereafter to fill the data gaps, duly keeping in view the requirement of comparability with the 44th NSS round data.

5.13 The NSC desired that the aforementioned recommendations may be communicated by the NSSO (CPD) to the concerned Ministries and the Nodal Officer.

Criticism in the media

5.14 In the 43rd NSC meeting held in August 2011, the criticisms being made in the media on quality of official statistics being put out by the NSO came up for discussion. It was felt that in most of the cases, the criticism has originated because of using data for purposes for which it should not be used. After discussion with the CSI and the DGs of the CSO and the NSSO in this meeting, the NSC suggested that documentation/ meta data needs to be improved. The NSC also recommended that arrangements for communication with the public domain regarding the Department's statistical products need to be strengthened and an official spokesperson may be notified for the products so as to provide clarification to users including media persons about the data. The matter was considered again in the 54th meeting of the NSC. The CSI informed in this meeting that the Addl. DG, CSO (NAD) and the DDG, NSSO (CPD) would be notified as official spokespersons for the CSO and the NSSO respectively.

Divergence of PFCE and CES estimates

5.15 The issue of divergence between NSSO consumer expenditure estimates (CES) and Private Final Consumption Expenditure (PFCE) compiled

in the National Accounts Statistics has been examined in the past by a Committee chaired by Dr. Savita Sharma. Efforts have been made since then by the NSSO and the CSO (NAD) to improve the quality of the respective data sets. The matter was considered again by the NSC in its 54th and 55th meetings. It was decided that the report of Dr. Savita Sharma committee may be updated by attempting comparison with latest available data from both the sources. In case of the NSSO, the NSC desired that the 66th round NSS consumer expenditure data may be used for the purpose and that the NSSO may also consider the views of the Standing Committee on NSSO matters, as that committee has been looking into the matter with regard to improvisations that are needed in the NSS. The CSO (NAD) reported that the Savita Committee report has been updated and it was circulated as an agenda paper in the meetings chaired by the CSI on 19th April 2012 and by Prof. K. Sundaram on 5th September, 2012. Comments of the NSSO have been incorporated in the report.

Price indices and methodological variations

5.16 In the wake of several consumer price indices being produced by different official agencies at the Centre, a need was felt to provide relevant details at one place for the benefit of users.

Training of statistical manpower

5.17 Training is an important component of capacity development, which contributes immensely to improvement in quality of data. The NSC reviewed the training of statistical officers and staff, being conducted by the NASA and identified that the feedback mechanism at the NASA needs to be strengthened.

Statistical Manuals

5.18 It is necessary to lay down standards on statistical concepts, definitions and classifications for use by all official agencies. If the agencies follow uniform standards, it would pave way for an integrated development of the Official Statistical System. The existing practice is to make the standards available through release of statistical manuals on different subjects. The CSO (SSD) has been handling the work of bringing out manuals on different subjects for quite some time. However, in a meeting taken by the CSO on 24th May 2011, it was decided to assign this work in future to the Training Division in the CSO as the preparation of training materials/ training modules and the preparation of manuals on a particular subject are inter-related issues. It was also decided in this meeting that the CSO (SSD) would continue with and complete the on-going work on manuals that are under process while the Training Division would take up work relating to the manuals which are at initial stages and on those indicators/ topics which are, in particular, focused upon in the India Statistical Strengthening Project (ISSP).

5.19 It was reported that the SSD has completed the preparation of fifteen manuals covering different subjects and are in the process of finalizing manuals on another two subjects.

5.20 The Training Division in the CSO constituted two committees viz., (i) a Steering Committee under the chairmanship of the CSI and (ii) a Committee under the chairmanship of DG, CSO to look into the work of preparation of manuals. Based on the decisions taken by the Steering Committee in its meeting held on 5th July 2012, the training division had initiated the work for preparation of manuals on four subjects. In this meeting, the Steering Committee also decided on the general structure of a manual.

Recommendations of the NSC

5.21 The NSC made the following recommendations on the aforementioned issues.

- (1) The CSO (ESD) and the DGCI&S may implement expeditiously, the suggestions given in the report of Dr. Barman on IIP and trade data.

[Action: MOSPI, Dept. of Commerce]

- (2) With regard to the IIP, the CSO may explore the possibility of providing monthly weights for seasonal items (for example, sugar) in the IIP and they may flag the issue before the Working Group on IIP.

[Action: MOSPI]

- (3) The Ministry of Micro, Small & Medium Enterprises may submit further inputs, on undertaking sample surveys on MSME sector, to the NSC as mentioned at para-5.10.

[Action: Ministry of Micro, Small & Medium Enterprises]

- (4) With regard to the proposal of the Ministry of Labour and Employment on contract labour, the Ministry may take further action as mentioned at para-5.11 and place the report of the Working Group and the advice of the Nodal officer before the NSC for its consideration.

[Action: Ministry of Labour and Employment]

- (5) The Ministry of Tribal Affairs may constitute a Group as mentioned at para-5.12 and place its report, as soon as received, before the NSC.

[Action: Ministry of Tribal Affairs]

- (6) In order to improve communications with the public domain, orders may be issued by the MOSPI notifying ADG, CSO (NAD) and the DDG, NSSO (CPD) as official spokespersons for the CSO and the

NSSO respectively. The DDG, NSC Secretariat may be notified as spokesperson in respect of matters handled by the NSC.

[Action: MOSPI]

- (7) On the issue of divergence between PFCE and CES estimates, the CSO (NAD) may furnish an updated paper for consideration by the NSC and for placing it in public domain.

[Action: MOSPI]

- (8) The CSO may prepare a note on consumer price indices, indicating inter alia the methodological details, differences in approach and variations in inflation rates emanating from the indices duly bringing out the fitness for purpose and place it in the public domain.

[Action: MOSPI]

- (9) In order to strengthen the feedback mechanism at the NASA, -

(a) anonymous feedback may be obtained from all the trainees about how the training imparted to them through NASA could be made more useful;

(b) ISS officers who complete one year service after completion of probationary training may be asked to furnish their feedback on the utility, in their day to day work, of the training received by them and on suggestions for further improvement; and

(c) a designated officer of the NASA may collect feedback as suggested above and prepare consolidated reports for submission to the CSI.

[Action: MOSPI]

- (10) The work of preparation and release of statistical manuals shall be completed in a time bound manner. The manuals may also be placed before the NSC, for review.

[Action: MOSPI]

CHAPTER-6

IMPLEMENTATION ISSUES

Background

6.1 Several Committees and Commissions had given a number of recommendations in the past to improve the statistical system. Implementation of their recommendations has been a matter of concern. The National Statistical Organisation (NSO) under the leadership of the Chief Statistician of India ably supported by designated officers in different Government Departments at the Centre and in the States is expected to be the main machinery to coordinate the implementation process. But, this mechanism has not fully taken its shape so far. The NSC reviewed the progress so far achieved on this front, the details of which are given in this chapter

Implementation of Rangarajan Commission recommendations

6.2 The National Statistical Commission appointed by the Government under the Chairmanship of Dr. C. Rangarajan in its report submitted to the Government in 2001 gave 623 recommendations for revamping the statistical system. The recommendations were considered in the Cabinet meeting held on 27th February, 2002 and were noted for implementation. The MOSPI was entrusted with the task of coordinating and monitoring the process of implementation by various Central Ministries and States. Subsequently, an Empowered Committee was constituted on 2nd January 2003 under the Chairmanship of Secretary, MOSPI with a clear mandate to implement the recommendations of the Commission. The Committee functioned for about one or two years and thereafter, it had become defunct.

6.3 The NSC came into existence on 12th July 2006, and its working added to the list of recommendations to be implemented. Looking at this situation, the NSC, on 8th June 2010, constituted a Standing Committee under the Chairmanship of one of its Members to monitor the implementation of the Rangarajan Commission recommendations and the recommendations of the NSC. Prof. Sudipto Mundle, Member, NSC was the Chairman of this committee till completion of his tenure in the NSC. The CSO (CAP) has been coordinating the process of implementation of all the 623 recommendations since then. In its meeting held on 11th June 2010, the Mundle Committee identified 47 recommendations to be taken up on priority.

6.4 When the position was reviewed by the NSC in its 52nd meeting, the CSO (CAP) reported that responses received from the organisations responsible for implementation have to be examined to see whether any further action needs to be taken. For this purpose, the CSI constituted a

Committee on 21-9-2012 under the chairmanship of Shri M.V.S. Ranganadham, DDG, NSC Secretariat to scrutinize the responses received and submit a report on the process of implementation of the 623 recommendations made by the Rangarajan Commission.

6.5 The Ranganadham Committee completed its work and submitted its final report to the CSI on 6th December 2012. The Committee found that 147 recommendations have been implemented, 9 have been rejected as not feasible, implementation in respect of 261 recommendations was under progress and that the status of implementation in respect of 206 recommendations was yet to be ascertained. The summary findings of the Committee are as follows.

| Chapter in the Rangarajan Commission report | No. of recommendations | | | | |
|---|------------------------|-------------|----------|-------------------------------|------------------|
| | Total | Implemented | Rejected | Implementation Under Progress | Status Not known |
| Agricultural Statistics | 73 | 21 | 2 | 36 | 14 |
| Industrial Statistics | 67 | 8 | 4 | 40 | 15 |
| Trade Statistics | 19 | 10 | - | 9 | - |
| Service Sector Statistics | 14 | 1 | - | 9 | 4 |
| Infrastructure Statistics | 39 | 3 | - | 17 | 19 |
| Socio-Economic Statistics | 139 | 9 | 2 | 31 | 97 |
| Financial and external sector statistics | 83 | 14 | 1 | 16 | 52 |
| Price Statistics | 15 | 7 | - | 7 | 1 |
| Corporate Sector Statistics | 11 | 4 | - | 7 | - |
| National Accounts Statistics | 41 | 9 | - | 28 | 4 |
| Indian Statistical System | 122 | 61 | - | 61 | - |
| Total | 623 | 147 | 9 | 261 | 206 |

6.6 With regard to the 47 recommendations prioritised by the Mundle Committee, it was reported by the Ranganadham Committee that 20 recommendations have been implemented, 25 recommendations are under the process of being implemented and in respect of the remaining two recommendations, the status was not known.

6.7 The NSC reviewed the report of the Ranganadham Committee in its 56th and 57th meetings and expressed its appreciation on the work done by

the Committee within a short period of time. It was further reported to the NSC that the following recommendations of the Ranganadham Committee have been approved by the CSI.

- (i) In case of those recommendations that are implemented, no further action would be necessary; and
- (ii) In case of those under progress, half-yearly reports may be obtained by the CSO (CAP) from the concerned offices/ Divisions. The first report may be obtained by 15th January 2013, wherein the position as on 31st December, 2012 is to be furnished.

6.8 With regard to the recommendation on filling up of the post of DG, CSO being shown as implemented, the NSC noted that the position stated was true, as the post was filled up at least once, after submission of the Rangarajan Commission report, but some of the senior level positions including that of the DG, CSO in the MOSPI have fallen vacant subsequently. When this review was taken up by the NSC, some of the senior level positions in the MOSPI were vacant. The NSC felt that the vacancies in key positions would adversely affect the functioning of the MOSPI as also of the NSC.

6.9 The NSC noted that the DGCI&S needs access to the data of the CBEC for implementing some of the recommendations in respect of Trade Statistics. Prof. Sudipto Mundle, Acting Chairperson, NSC stated that in one of his meetings with the Revenue Secretary, he was given to understand that a meeting with the concerned Organisations would be taken by the Revenue Secretary in consultation with the CSI.

Implementation of Rangarajan Committee recommendations on estimation of savings and investment

6.10 At the instance of the NSC, the Government appointed a High Level Committee on Estimation of Savings and Investment under the Chairmanship of Dr. C. Rangarajan. The Committee submitted its Report to the Government on March 16, 2009. The NSC, in its 29th meeting held in January 2010, noted the recommendations of the High Level Committee and the follow-up action proposed by the Addl. DG, CSO (NAD). It was decided that the NSSO would take up a pilot survey on estimation of savings and investment through a household survey, as recommended by the Committee. An Expert Group under the Chairmanship of Shri Suman K. Bery, Member of the NSC was constituted to work out the methodological details for the pilot study. With regard to other recommendations, the NSC recommended that the CSO (NAD) may coordinate with the other identified agencies for implementation.

6.11 The progress made by the aforementioned Expert Group was reviewed by the NSC in its 50th and 55th meetings. It was noted in this meeting that the aforementioned Expert Group and its Sub-Group under the chairmanship of Dr. S.L. Shetty have been functioning and that the data collection schedules developed by the Sub-Group for the proposed pilot study are due for pre-

testing in the field. With regard to follow-up action on the remaining recommendations of the High Level Committee, the CSO (NAD) reported in this meeting that latest status reports are being obtained from the agencies concerned.

6.12 When the progress was reviewed by the NSC in its 57th meeting, it was reported that the schedules of inquiry for conducting the proposed pilot survey would be finalized by the Sub-group in December 2012 and thereafter, the Sub-group would submit its report to the Expert Group. Since the tenure of Shri Suman K. Bery, Chairman of the Expert Group would be completed by 23rd December, 2012, it was decided in this meeting that the Expert Group should continue to function under the Chairmanship of Dr. S.L. Shetty. It was also noted in this meeting that the pilot survey will be conducted by the NSSO after receiving the report of the Expert Group.

Action Taken Reports on the Annual Reports of the NSC

6.13 The NSC is responsible to the Parliament. The manner in which the responsibility is to be exercised is laid down in the Government of India Resolution dated 1st June, 2005. Relevant extract of the Resolution is given below.

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

6.14 The NSC had so far submitted to the Government of India in the MOSPI, six Annual Reports corresponding to the financial years commencing from 2006-07 up to 2011-12,. Till 31st March 2013, the Government tabled the first five Annual Reports in both the Houses of Parliament along with Action Taken Reports (ATRs). The Annual Reports and the corresponding ATRs are uploaded in the website of the MOSPI, as soon as they are tabled.

6.15 The NSC’s recommendations in the aforementioned reports include setting up a separate Department of Statistics at the Centre to be headed by the Chief Statistician of India (CSI), institutionalizing the role of statistical advisers to assist the CSI and the NSC in discharging nodal, advisory and

regulatory functions, and providing statutory status to the NSC by an Act of the Parliament. It was reported that the recommendations made by the NSC on these issues are at different stages of implementation in the Government.

6.16 On the issue of providing statutory status to the NSC, it was reported a draft Cabinet Note proposing inter alia introduction of a Bill in the Parliament has been prepared and is being processed by the MOSPI. With regard to institutionalizing the role of statistical advisers in line Ministries at the Centre, it was reported to the NSC that a draft Cabinet Note is under preparation for this purpose along with the purpose of notifying a National Policy on Official Statistics on the basis of the recommendations of the NSC.

6.17 The NSC reviewed the ATRs tabled by the MOSPI in its 51st meeting and observed that there are many cases where action was incomplete or reported to be under progress. Specific instances were brought out on this issue, particularly referring to the ATR for the Annual Report of 2010-11.

Action on the report of committee on social sector statistics

6.18 The NSC constituted a professional Committee to look into some issues relating to social sector statistics. The report of the Committee was considered by the NSC in its 45th meeting and it was decided that the report should be considered as a first draft and further details need to be looked into, in respect of availability, quality of data and data gaps in respect of social sector. The NSC desired in this meeting that a Group may be constituted by the CSO for this purpose with a clear time frame to complete the work. With regard to the environmental issues covered in the report, the NSC decided that a view could be taken once the report of the High Level Committee appointed under the Chairmanship of Dr. Pardha Dasgupta on green accounting matters becomes available.

6.19 The progress was reviewed by the NSC in its 54th, 56th and 57th meetings. The CSO (SSD) requested the NSC, vide their letter dated 26-7-12, to suggest names of experts to be included in the Group, which may look into availability, quality of data and data gaps in respect of social sector. The matter was reconsidered and the NSC felt that theme papers may be invited from a few experts, before constituting the Group. The NSC recommended that theme papers may be invited from the following experts.

- (1) Demography – Dr. Ladu Singh, IIPS, Mumbai
- (2) Health – Dr. Charu Gupta
- (3) Labour and Employment – Prof. Nagaraj of the IGIDR
- (4) Education – Dr. J.B.G. Tilak or Dr. Sudhanshu Bhushan of NIEPA
- (5) Gaps in Gender Statistics – Dr. Madhura Swaminathan, ISI, Kolkata
- (6) Crime & Justice Statistics – Dr. Amir Ullah Khan, India Development Foundation, Gurgaon

6.20 The NSC also recommended that each of the aforesaid experts may be offered a maximum fee of Rs.25,000 /- for their papers. They may also be informed that papers on submission would become the property of the MOSPI, which may be got published by the MOSPI in a manner that it may deem fit. It was reported by the ADG, CSO (SSD) in the 57th meeting of the NSC that experts chosen to write theme papers have accepted the assignment.

General Problems in compiling indices

6.21 On the issue of pre-specifying the base year for revision of indices by all the official agencies, the NSC recommended in its Annual Report for the year 2009-10, that the base year for revision shall be specified well in advance (say, at least two years before) so that the agencies could plan all preparatory activities, such as obtaining government sanctions for mobilizing resources and collecting any additional data on product specifications and prices/ quantities to facilitate making a firm choice of Basket of Commodities for the proposed revised index. In such a situation, data collection for the base year could be done with minimum recall lapse of the concerned informants. The NSC also noted that even if the base year, so specified well in advance, subsequently turns out to be a non-normal year, it would be easy to take the next year as the base year.

6.22 The issue was reconsidered by the NSC in its 54th meeting. It was noted that the NSC also recommended in the past that the years 2009-10 and 2014-15 may be taken as the base years for the national accounts and for all the indices compiled by the official agencies at the Centre and in the States. The two years were specified so as to align them with the quinquennial NSS rounds on consumer expenditure. Subsequently, the NSC decided that the 66th quinquennial NSS round on consumer expenditure shall be repeated in the 68th round as the survey period of the 66th round, i.e., 2009-10 was perceived to be a non-normal year. Hence, it would be advisable for the agencies to choose 2011-12 as the base year for consumer indices. However, it was noted that the national accounts have been revised with the base year 2009-10. It was also noted that the subject coverage for the 72nd round (July 2014 – June 2015), originally decided to be devoted to the quinquennial survey on consumer expenditure, needs a review.

Vaidyanathan Committee on agricultural statistics

6.23 In its 20th meeting held on 27th August 2008, the NSC recommended that a high level expert committee under the Chairmanship of Dr A. Vaidyanathan may be set up to examine in detail the issues relating to agricultural statistics. Accordingly, the Department of Agriculture and Cooperation constituted the Committee on 26th February 2009. The Committee submitted an interim report in July 2010. In its 36th meeting held in August 2010, the NSC considered the interim report of the Committee and

made the following recommendations (reported by the NSC in its Annual Report for the year 2010-11).

- (1) The interim report may be circulated to experts, States/ UTs, NSSO, NCAP, NRSA, ISI, ICSSR Institutes, Agro Economic Centres and IASRI and their views may be obtained.
- (2) On the basis of suggestions received, the Dept. of Agriculture & Cooperation may process the interim report for implementation.
- (3) The Committee mainly recommended a sample survey to control sampling as well as non-sampling errors in an effective way to produce estimates of high quality and credibility at national and state levels. The sample size to achieve this goal needs to be worked out scientifically. It also needs to be examined whether there is a need to provide estimates for all the agro-climatic regions in the country.
- (4) The proposed sample survey needs a reliable frame for deriving multipliers required for arriving at aggregate estimates. This involves preparation of a frame either from the available revenue records after eliminating its deficiencies or by adopting all together a new methodology.

6.24 Subsequently, the Vaidyanathan Committee submitted its final report to the Department of Agriculture & Cooperation in February, 2011. The progress of its implementation was reviewed by the NSC in its 54th meeting. The representative of the Department of Agriculture and Cooperation submitted a status note to the NSC on this issue in this meeting and stated inter alia that the recommendations given in the final report of the Vaidyanathan Committee are being processed for implementation during the 12th Five Year Plan period.

Meeting with the officers of the Government of Karnataka

6.25 The NSC met the Chief Secretary and other officers of the Government of Karnataka at Bangalore on 5th October, 2012. The officers of the DES, Government of Karnataka made a power-point presentation on the following issues in the meeting.

- (1) Action taken on the recommendations of the NSC on State statistical systems given in its Annual Report for the year 2010-11
- (2) Progress achieved by Karnataka under the India Statistical Strengthening Project (ISSP)
- (3) Progress achieved by Karnataka on implementation of the 13th Finance Commission recommendations to fill statistical infrastructure gaps in areas not addressed by the ISSP

Recommendations of the NSC

6.26 The recommendations of the NSC on the aforementioned issues are given below.

- (1) With regard to the implementation of the recommendations of the Rangarajan Commission, the course of action mentioned at para-6.7 has been endorsed by the NSC.

[Action: MOSPI]

- (2) With regard to vacancies in key positions in the CSO and the NSSO, the NSC desired that expeditious action may be taken by the MOSPI to fill up the positions. Till such time, the MOSPI may make interim officiating arrangements in the key institutions.

[Action: MOSPI]

- (3) On the issue of providing access to the DGCI&S on the data of the CBEC, the MOSPI may take up with the Revenue Secretary to convene a meeting with the concerned Organisations to sort out the problem.

[Action: MOSPI]

- (4) All actions relating to conducting a pilot survey on estimation of savings and investment through a household survey may be completed in a time bound manner.

[Action: MOSPI]

- (5) All the ATRs on the previous Annual Reports of the NSC may be updated by the MOSPI indicating latest position and tabled in both the Houses of the Parliament.

[Action: MOSPI]

- (6) Theme papers received from experts on different subjects mentioned in para-6.19 may be placed before the NSC.

[Action: MOSPI]

- (7) In future, the revision of base shall be aligned, by the official agencies compiling national accounts and all consumer price indices, with the year for which quinquennial NSS round on consumer expenditure would be carried out. Following the same practice by agencies producing other indices, such as the WPI and IIP, is desirable. The MOSPI may accordingly notify guidelines to all the Central Ministries and States/ UTs.

[Action: MOSPI]

- (8) Recommendations given in the final report of the Vaidyanathan Committee may be implemented by the Department of Agriculture and Cooperation in a time bound manner.

[Action: Department of Agriculture and Cooperation]

- (9) The Government of Karnataka may take steps to further improve the Karnataka Statistical System on the following lines.

- (a) Delineation of planning and programme implementation functions from statistical functions
- (b) Getting statistical audit done through external sources
- (c) Pooling of Central and State samples of NSS to obtain estimates at sub-state level
- (d) Constituting a co-ordination committee, in which all line Departments in the State, the DES and the local senior officers of the NSSO are represented, to handle all statistical matters

[Action: Government of Karnataka]