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राष्ट्रीय सांख्यिकीय आयोग
भारत सरकार
नई दिल्ली

NATIONAL STATISTICAL COMMISSION
GOVERNMENT OF INDIA
NEW DELHI

List of Abbreviations

ASI	Annual Survey of Industries
ATR	Action Taken Report
COCSSO	Conference of Central and State Statistical Organisations
CPI	Consumer Price Index
CSI	Chief Statistician of India
CSO	Central Statistical Organisation now known as Central Statistics Office
DES	Directorate of Economics and Statistics
DG	Director General
DIPP	Department of Industrial Policy and Promotion
FOD	Field Operations Division
IIP	Index of Industrial Production
ISI	Indian Statistical Institute
ISS	Indian Statistical Service
MOA	Memorandum of Association
MOSP	Ministry of Statistics and Programme Implementation
NAD	National Accounts Division
NASA	National Academy of Statistical Administration
NCAER	National Council of Applied Economic Research
NIC	National Industrial Classification
NREGA	National Rural Employment Guarantee Act
NSC	National Statistical Commission
NSO	National Statistical Organisation
NSS	National Sample Surveys
NSSO	National Sample Survey Organisation now known as National Sample Survey Office
ORGI	Office of the Registrar General of India
PFCE	Private Final Consumption Expenditure
PI	Programme Implementation
RBI	Reserve Bank of India
SCIS	Standing Committee on Industrial Statistics
SSS	Sub-ordinate Statistical Service
UT	Union Territory

Executive Summary

1. During the period under report, the NSC had four meetings. The first one (28th meeting of the NSC) was held by the previous dispensation of the Commission and the remaining three were held by the present dispensation of the NSC. In its very first meeting (29th meeting) held on 21st & 22nd January 2010, the present dispensation of the NSC reviewed the minutes of the 28 meetings held by the previous dispensation, the Annual Reports submitted by them to the Government and the Action Taken Reports submitted by the Government on the Reports to both the Houses of Parliament.

Introduction

2. On the basis of the aforesaid review, the NSC noted that broadly there are seven issues to be addressed by them in future, namely, identifying core statistics, making NSO as an executive wing of the NSC, monitoring implementation of the recommendations of the Rangarajan Commission, preparing draft NSC Bill for consideration by the Government, exploring the possibility of separate consumer price index for Government Employees, tackling the problem of underestimation of population in NSS, and identification of Indicators for monitoring performance as the basis for linking devolution of funds to the States.

(Para-1.12)

Working of the Commission

3. With regard to transparency in the working of the Commission, it was decided by the NSC that agenda and minutes of each of its meetings be placed in the public domain by up-loading in the newly registered website 'statcom.gov.in', as and when it is developed. With regard to Annual Reports of the Commission and the ATRs submitted by the Government to Parliament on the Annual Reports, the Commission decided that they may be placed in the public domain only after they have been tabled in both the Houses of the Parliament.

(Para-2.6)

Matters under the examination of the NSC

4. The NSC would consider laying down certain guidelines in respect of outsourcing statistical activities, a code of practice to be followed by official as well as private agencies and a national statistical policy as a set of long term goals.

(Para-3.1)

5. The NSC would continue the system of reviewing the statistical system of Central Ministries/ Departments and the allocation of posts of the Indian Statistical Service and the Sub-Ordinate Statistical Service. It would also consider reviewing statistical systems at State level.

(Paras-3.6 to 3.12)

6. The Commission noted that statistical products, that are used in a general way by various offices in the Government setup as also by the research institutions and the public at large, shall be categorized as core statistics. Similarly, the statistical products that are required to be produced as a result of international commitments also need to be brought under the category of core statistics. In addition to this, the administrative statistics at the central and state levels also need to be included in core statistics. Once a product is classified as core statistics, the entire process of producing it needs to be brought under the regulation of the NSC. The NSC decided that meetings of the Central Ministries in groups could be organized to arrive at the final list of core statistics, after detailed consultations. The representatives of the CSO (NAD), the RBI, the Planning Commission, the Department of Commerce and the Ministry of Finance would be requested to assist the NSC in the exercise in all these meetings.

(Paras-3.13 to 3.18)

7. The NSC desired that the National Academy of Statistical Administration (NASA) shall place a detailed agenda note before it on the initiatives being contemplated to improve the training system both in its content and reach.

(Para-3.19)

8. The NSC decided to constitute nine professional committees on different subjects and a Standing Committee to monitor implementation of the

recommendations of the Rangarajan Commission and the present NSC.

(Paras-3.20, 3.21)

9. The NSC would consider the report of the Committee on divergence between National Accounts PFCE and the NSS consumer expenditure estimates and action plan, if any, contemplated thereafter, and decide further course of action.

(Para-3.22)

10. The NSC would look into the issue of time lag in bringing out the NSS reports and placing the data in public domain after receiving the report of Prof. Shibdas Bandyopadhyay, Member, NSC.

(Para-3.23)

11. The reports on the studies undertaken on the issue of underestimation of population in NSS and the views of the previous dispensation of the NSC would be considered in detail in future to find possible solutions to address the problem.

(Para-3.24)

12. The NSC would decide the subject coverage for the 68th Round of NSS on the basis of interactions it had with the concerned user Departments and the NSSO.

(Para-3.25)

13. The NSC decided to commission papers from Experts on various issues relating to 'consumer expenditure' and hold a Workshop in future to identify possible methodological improvements.

(Para-3.26)

14. The NSC would consider the issue of adjusting various indices for seasonality, including the quarterly national income estimates in greater detail in future.

(Para-3.28)

15. The NSC decided that papers should be commissioned from experts on two subjects, namely, (i) methodology for compilation of Spatial Price Indices to depict the differentials across different States/ UTs and major cities, and (ii) Generation of estimates of Well-being, Poverty and Deprivations at state and district level.

(Para-3.34)

Recommendations made by the NSC

16. The NSC recommended that the years 2009-10 and 2014-15 may be taken as the base years for all the indices and national accounts compiled by the official agencies at the Centre and in the States.

(Paras-4.1 to 4.9)

17. The NSC considered the reference 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 Central Pay Commission. It was reported by the CSO that the data for the CPI (Urban) is being collected from 310 towns covering 1114 quotations of which 274 relate to poor, 674 relate to middle and the rest relating to affluent population segments. It was also reported that regular prices are being collected by the NSSO (FOD) since May 2008 for the CPI (Urban) and that after selection of base year and also compilation of base year prices, new series of CPI (Urban) is expected to be available during 2010-11. Based on these facts, the NSC recommended that the CSO (NAD) may compile an index at state level leaving out the 274 poor category quotations and then combining the state level indices using the number of Government employees at state level as the weights.

(Paras-4.10 to 4.24)

18. The Government dissolved the Governing Council of the NSSO and its functions were vested with the NSC w.e.f 30th August 2006 vide a Resolution issued by the MOSPI on that date. The NSC which had assumed its functions since then, decided to constitute a Steering Committee on 15th December 2006 with tenure of three years, as an alternative mechanism for the Governing Council. The Committee completed its tenure. Keeping in view the importance attached to the NSSO surveys, reports and data by the various Government Departments, Planning Commission, research institutions and experts, it would be necessary to put the conduct of the surveys, dissemination of data and related human resource development aspects in a tighter discipline to ensure timeliness, credibility, public trust and independence of the institution. Hence, the NSC decided to directly take over the role of the Governing Council of the NSSO. It was also decided that all

policy related and administrative/ monitoring issues would be deliberated and decided by the NSC. As and when a subject matter for study is decided by the NSC, a Working Group would be constituted by it for formulating the methodology and sampling design.

(Paras-4.25 to 4.31)

19. The NSC recommended the use of population projections for the period 2001-2026 at state level in respect of persons, males and females released by the Office of the Registrar General of India (ORGI) in the context of bringing out general reports on NSS surveys containing estimates of absolute numbers.

(Paras-4.32 to 4.36)

20. The NSC gave clearance to the release of the NSS Report No. 530 (Household Consumer Expenditure, 64th Round) and the unit-level data used in preparing the report.

(Paras-4.37 to 4.38)

21. It was reported to the NSC that the survey methodology for the 67th Round of NSS was already approved by the NSSO Steering Committee and that improvisations suggested by the Steering Committee have been incorporated in the methodology by the Working Group under the Chairmanship of Prof. S.R. Hashim. The NSC noted these facts and concurred with the survey launch of the 67th Round NSS.

(Paras-4.39 to 4.44)

22. The NSC examined the present role of the Chief Statistician of India (CSI) as the Secretary to the Commission and the Secretary to the Government of India in the MOSPI and noted that the CSI has to spend part of his official time to the affairs of the Programme Implementation (PI) Wing of the MOSPI which is totally unconnected with the statistical system. The Commission recognized the requirement of effectively discharging the nodal role by the CSI on full-time basis and accordingly recommended that the Statistics Wing in the MOSPI be made as a separate administrative Unit under the control of the CSI as a separate Department of statistics and to take away the PI wing from his control.

(Paras-4.45 to 4.52)

23. The NSC reiterates its earlier recommendation to institutionalize the coordinating and nodal role of the Statistical Advisers through appropriate administrative measures. The MOSPI may issue orders immediately on this issue. With reference to other line Ministries where higher level posts of ISS are not available, a detailed reference may be made to the NSC.

(Paras-4.53 to 4.62)

24. The NSC reviewed the ATRs submitted by the Government to the Parliament on its annual reports for 2007-08 and 2008-09 and recommended that the MOSPI may, in future, insist upon the other Departments to forward their part of the ATRs only after obtaining the approval of their concerned Ministers. The Commission desired that the latest status in respect of all the recommendations may be obtained from the concerned Departments and placed before it. It was also recommended by the NSC that the ATRs should be circulated by the concerned Ministries to the department-related Parliamentary Standing Committees and Consultative Committees.

(Paras-4.63 to 4.65)

25. The NSC decided that the NSSO would take up a pilot survey during 2010-11 as recommended by the Committee. Chairman desired that the expertise available with the NCAER and the Ministry of Agriculture (in respect of farm income) in directly surveying income of households may be utilized for the purpose. To workout the methodological details for the pilot study, the NSC recommended for constituting an Expert Group under the Chairmanship of Shri Suman K. Bery, Member of the NSC with the representatives of the NCAER, Ministry of Agriculture, NSSO, CSO (NAD), and the RBI as Members. The Commission also recommended that the CSO (NAD) may coordinate with the other agencies for implementation, workout resource requirements, if any, needed in the process in the NSSO and other Govt. Departments and place the material before the NSC.

(Paras-4.66 to 4.67)

26. The NSC considered the Report of the Expert Committee on Periodic Labour Force Surveys and recommended that a Committee under the Chairmanship of Prof. Amitabh Kundu (subject to his acceptance) may be constituted for looking

into the aforesaid issues. The views of experts and the comments of the NSSO thereof may be submitted to this Committee, so that further simplifications in the methodology could be considered. The Committee may submit its report for consideration of the NSC.

(Paras-4.68 to 4.71)

27. The NSC noted the list of Committees constituted by the various divisions of the MOSPI. It was reported that the working of some of the Committees constituted at the instance of the Commission has not been so far reviewed by the Commission. It was decided by the NSC to nominate Prof. Shibdas Bandyopadhyay, Member of the NSC in the Advisory Committee on National Accounts chaired by Prof. K. Sundaram and Prof. Anil P. Gore, Member of the NSC in the Standing Committee on Industrial Statistics chaired by Prof. Goldar.

(Paras-4.72 to 4.74)

28. The NSC decided to have a statistical audit conducted by Dr. N.S. Sastry, former DG of the NSSO (subject to his acceptance) on the all India IIP compiled by the CSO, as a test case, before laying down comprehensive methodology for the purpose. Dr. Sastry would be requested to take up the work as a Consultant and the concerned organisations would be requested to extend all cooperation to him and to make available to him relevant files, records, data and reports.

(Paras-4.75 to 4.79)

29. The Commission decided that it should not be represented in the Governing Council of the Indian Statistical Institute (ISI) through any of its Members. However, the Commission would consider involving the ISI as well as other reputed research institutions in the country in technical aspects of the official statistical system, as and when required.

(Paras-4.80 to 4.85)

30. The NSC felt that setting up an Official Statistics Unit at the ISI would help improving the statistical system. Chairman of the NSC addressed a letter to the Chairman of the Governing Council of the ISI on this issue.

(Paras-4.86 to 4.87)

Chapter – I

Introduction

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

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

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

Functions of the Commission

1.4 The aforesaid Government of India Resolution dated 1st June, 2005 gives the following as the functions of the Commission.

- (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;

- (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.

1.5 In addition to the above, the Commission assumed the functions of the Governing Council of the National Sample Survey Organisation (NSSO). The facts leading to this additional role were as follows.

- The Commission in its very first meeting held on the day it was constituted, i.e., 12th July 2006 recommended as follows.

“Since the NSC has come into existence as an independent body and has authority as per the Resolution, the Governing Council of NSSO in the present form would not be needed. The NSC will carry out the functions of Governing Council through an alternative mechanism.”

- Acting on the aforesaid recommendation, the Government dissolved the Governing Council and its functions have been vested with the Commission w.e.f 30th August 2006 vide the Government Resolution No. M-13011/1/96-Ad.IV.

1.6 The functions of the Governing Council which have been assumed by the NSC are as follows:

- (i) Formulating its short period and long term programmes
- (ii) Exercising full authority on the choice of subjects or items on which data has to be collected in a given field of investigation or in a given period
- (iii) Deciding the frequency with which the data on any item is to be collected
- (iv) Formulating preparatory or pilot work to be undertaken on different subjects
- (v) Evolving the sampling design to be adopted, the tabulation to be prepared, the form in which the data are to be collected and processed

- (vi) Finalising the analysis and publication of results
- (vii) Taking action in suitable cases, without encroaching upon the legitimate spheres of activities of other statistical agencies of the Central and State Governments, to fill up gaps in the information needed by Government for policy formulation and for improvement of existing data collected by other agencies by supplementary collection of data by NSSO [Proposals should normally come from the concerned Ministries. Where it is initiated by the NSSO, it should have concurrence and support of the concerned Ministries or agencies. Requests for collection or tabulation of data on behalf of other Ministries and agencies should not be accepted by the Council without the prior approval of the Government. Having regard to the limitation of resources, the emphasis should be on developing a stable and organically connected programme of data collection designed to fill gaps in statistics necessary for policy formulation and its implementation rather than setting up an agency to meet ad hoc requests for data coming from several quarters.].
- (viii) Indicating, while drawing up the programme of survey to be undertaken during a period, the form in which and the dates by which the results will be published. [The aim should be to publish the results in the form of tables with notes within twelve months of the completion of that survey. Apart from the publication of tables and notes, the comprehensive economic analysis of the collection of data and its publication should also be treated by the Council as an integral part of its functions].
- (ix) Exercising power to approve the budget of the NSSO within the total funds that may be provided by the Government every year.
- (x) Deciding on the deployment of relative resources in investigating and processing of different items.

Powers and duties of Chairman/ Members in the Commission

1.7 The Commission has the requisite autonomy to discharge its functions effectively and efficiently. In particular, the Commission has the powers to: -

- require production of any document which in the opinion of the Commission will serve or may serve statistical purposes;
- require statistical agencies and institutions to provide details of statistical activities, including concepts and definitions used, methodologies followed, quality standards adopted, sampling and non-sampling errors, etc. in respect of core statistics;
- require attendance of any person including any public servant on matters connected with core statistics; and
- issuing notices for examination of witnesses and documents or any matters connected with core statistics.

Composition of the National Statistical Commission

1.8 The Commission was initially constituted on 12th July 2006 with Prof. Suresh D. Tendulkar as part-time Chairman and Dr. Padam Singh, Dr. Surjit S. Bhalla, Prof. Amitabh Kundu and Prof. Bikas Sinha as part-time Members. Dr. Padam Singh resigned for the post of Member of the Commission w.e.f 24.03.2009. Other Members including Prof. Suresh D. Tendulkar, the part-time Chairman completed their tenure. Prof. Bikas Sinha, Member was the acting Chairman w.e.f 26th March 2009 till the last day of his tenure, i.e., 11th July 2009. Thereafter, the positions of the part-time Chairman and four part-time Members were vacant for some time.

1.9 All the part-time positions in the Commission were filled up subsequently. The names of the persons and the dates from which they were nominated in the Commission are given below.

Prof. R. Radhakrishna	–	Chairman w.e.f 30 th July 2009
Shri Suman K. Bery	–	Member w.e.f 24 th December 2009

Dr. Sudipto Mundle	–	Member w.e.f 24 th December 2009
Prof. Anil P. Gore	–	Member w.e.f 30 th December 2009
Prof. Shibdas Bandyopadhyay	–	Member w.e.f 30 th December 2009

1.10 Dr. Pronab Sen appointed as the Chief Statistician of India (CSI) w.e.f 21st February 2007 continued in the post during the entire period under report.

1.11 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.

1.12 The new dissemination of the NSC when it took over reviewed the reports of the previous dispensation and the action taken thereof, submitted to the Parliament, and the status of implementation of the recommendations of the Rangarajan Commission. The following issues were noted by the NSC to be addressed by it in the future.

- (1) Identification of Core Statistics
- (2) In the Government of India Resolution dated 1st June 2005, it was stated "Along with the establishment of the National Statistical Commission, the Central Statistical Organisation (CSO) and the National Sample Survey Organisation (NSSO) will be merged into a single entity called the National Statistical Organisation (NSO), which will function as the executive wing of the Government of India in the field of statistics and act according to the policies and priorities as laid down by the NSC.". But in practice, the NSO has not been made the executive wing of the NSC so far.
- (3) The Secretariat of the Rangarajan Commission was wound up immediately after submission of the report by the Commission. No Implementation Cell was constituted to ensure implementation of its recommendations. It was left to the concerned Ministries/ Departments to implement the recommendations and the MOSPI has been assigned the role of coordinating the implementation process. An Empowered

Committee was constituted for the purpose and it became defunct subsequently. The MOSPI which was initially monitoring the implementation process also stopped the exercise. The NSC felt that the status of implementation of the recommendations of the Rangarajan Commission is the starting point for it to take the system forward on any issue.

- (4) The previous dispensation of the NSC prepared a draft NSC Bill, but subsequently identified a number of issues that require further detailed examination.
- (5) Separate consumer price index for Government Employees
- (6) Underestimation of population in National Sample Surveys
- (7) Identification of Indicators for monitoring performance as the basis for linking devolution of funds to the States

1.13 The new dispensation of the NSC within the limited period available to it during the period of report tried to address the aforesaid issues to some extent, as detailed in the following chapters.

1.14 The details of the working of the Commission are given in Chapter-II. The matters on which the NSC deliberated and are still under its consideration are given in Chapter-III. The other matters considered and final recommendations given by the NSC are given in Chapter-IV.

Chapter-II

Working of the Commission

2.1 The Commission held four meetings during the financial year 2009-10 due to vacancies in most of the part-time positions during July-December of the financial year. The dates of the meetings are indicated below.

<u>S. No. of Meeting</u>	<u>Dates of the Meeting</u>
28	8 th July 2009
29	21 st & 22 nd January 2010
30	17 th & 18 th February 2010
31	18 th & 19 th March 2010

2.2 The 28th meeting was held by the previous dispensation of the Commission. In the 29th meeting of the Commission, the new dispensation of the Commission met for the first time. In all the four meetings, the Commission deliberated on the issues referred to it and on issues covered under its mandate.

2.3 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.

2.4 The Commission has so far submitted three Annual Reports for the financial years 2006-07, 2007-08 and 2008-09 to the Government of India in the Ministry of Statistics and Programme Implementation. In the second report, the recommendations made by the NSC during 2006-07 were also given. The Government tabled the Reports in both the Houses of Parliament along with Action Taken Reports (ATRs) for the years 2007-08 and 2008-09. The ATRs were reviewed by the NSC and its recommendations on the system of ATRs are given in Chapter-IV of this Report.

Transparency in the working of NSC

2.5 One of the basic requirements for the working of a Commission is to ensure transparency in its own working. Under the Right to Information Act, 2005, the right of the citizens for information is recognised. The provisions of the Act are applicable to the NSC as well.

2.6 The NSC considered the issue of transparency in the working of the Commission and noted that the NSC Secretariat would be made a no-paper office in a phased manner and a proper library system would be established in the secretariat. It was reported that a new domain name 'statcom.gov.in' was registered for exclusive use by the Commission's office for disseminating the activities of the NSC. The Commission approved a list of items on which information is proposed to be disclosed suo-moto through its newly registered website 'statcom.gov.in'. The Commission also decided that the agenda and the minutes of each of its meetings be placed in the public domain by up-loading in the newly registered website, as and when it is developed. With regard to Annual Reports of the Commission and the ATRs submitted by the Government to Parliament on the Annual Reports, the Commission decided that they may be placed in the public domain only after they have been tabled in both the Houses of the Parliament.

Expenditure incurred on the Commission

2.7 In the Budget Estimates (BE) for the year 2009-10, a provision of ` 84.13 lakhs was made for the NSC under the non-plan budget of the MOSPI, which was subsequently, reduced to ` 77.92 lakhs in the Revised Estimates (RE).

2.8 It was reported that an expenditure of ` 62.35 lakhs was incurred during 2009-10 towards the expenses connected with running the NSC Secretariat, domestic travel of the Chairman and Members and for meetings of the Commission etc.

Chapter-III

Matters under the examination of the NSC

Issues relating to statistical policy

3.1 The NSC felt the need to lay down certain guidelines in respect of outsourcing statistical activities, a code of practice to be followed by official as well as private agencies and a national statistical policy as a set of long term goals. The NSC Secretariat prepared drafts on these three issues. The drafts have been circulated among the officers of the MOSPI inviting their comments. The NSC would consider the issues on receipt of comments from the officers.

Legislative issues

3.2 The mandate of the NSC includes advising the Government on the requirement of legislative measures on statistical matters including the statute for the National Statistical Commission. The NSC is also expected to evolve statutory status to it. The legal frameworks available at present in the official statistical system which need to be reviewed are: -

- (1) The Census Act, 1948
- (2) The Registration of Births and Deaths Act, 1969
- (3) The Collection of Statistics Act, 1953 (recently replaced by the Collection of Statistics Act, 2008 which has been brought into force on 11th June 2010)
- (4) Statistics collected under other laws/ regulations

3.3 Besides, the NSC in its 14th meeting held on 15th February 2008 approved the National Statistical Commission Bill purported to bring statutory status to the NSC. The NSC stated in its Annual Report of 2007-08 that the main features in the Bill approved by the Commission are as follows.

“NSC is to be an independent body, with a fulltime Chairman and five Members

out of whom two would be fulltime. The Chief Statistician of India would be an ex-officio Member of the Commission. The Bill also formalizes the post of Chief Statistician of India as head of the NSO.”

3.4 The NSC also stated in the Annual Report of 2007-08 that there is a need to address the question of positioning of the NSC within the Statistical System especially in its relation to the NSO in the proposed Bill and that it has also been examining inclusion of specific clauses in regard to core statistics, statistical data quality certification, designating of statistical advisors, sharing of official statistics, regulation of national level surveys etc. Hence, the draft NSC Bill could not be finalized by the previous dispensation of the NSC during 2008-09.

3.5 In view of the above, the NSC decided to constitute a professional committee (Committee No. 8 mentioned in para-3.20) to look into the aforesaid issues.

Review of official statistical system at the Centre

3.6 The previous dispensation of the NSC introduced review, in a phased manner, of the statistical systems in the Central Ministries/ Departments covering their statistical activities and the resulting statistical products. The present dispensation of the NSC reviewed it and decided to continue the system, as such reviews are essential to understand the deficiencies/ data gaps and to identify the core statistical activities from time to time.

Allocation of posts among Central Ministries

3.7 As the nature of the official statistical system at the Centre as well as in the States is dynamic, the allocation of human resources among different Ministries/ Departments and among Divisions within any Ministry/ Department needs to be changed from time to time. For example, if one Ministry has to take up a Census or a survey activity on a large scale, during the period of that activity, it requires more resources, which could be diverted temporarily from other Ministries. This kind of a deployment would help in saving lot of resources. It is also necessary to have a ground level allocation of resources among Ministries so as to keep the temporary deployments to the barest minimum.

3.8 The Indian Statistical Service (ISS) and the Sub-Ordinate Statistical Service (SSS) are the common cadres of statisticians at the Centre. The present situation is that only 19 Ministries have ISS officers. Of the rest who have substantial statistical functions, in some Ministries non-ISS officers have been employed in statistical functions and in a few Ministries, no resources are made available for statistical work. Similar situation exists in respect of the SSS as well. Hence, allocation of resources is a substantial issue in both the ISS and the SSS.

3.9 The Commission desired that the list of Central Ministries/ Departments/ Organisations having substantial statistical functions and the details of allocation of posts among them along with vacancy position and problems in recruitment, in respect of the Indian Statistical Service and the Subordinate Statistical Service be placed before it for review.

Review of State statistical system

3.10 One of the functions of the NSC is to evolve measures for effective co-ordination with State Governments and Union Territory Administrations on statistical activities including strengthening of existing institutional mechanisms and to recommend to any State Government measures to effectively implement the standards, strategies and other measures evolved by it. Several efforts have been made by the NSC and the MOSPI in this direction. The representatives of the States/ UTs participate in the Conference of Central and State Statistical Organisations (COCSSO) held every year. Besides, a Conference of the State/ UT Ministers in-charge of Statistics was held in Delhi last year to discuss about the need to give primacy to statistics in public administration. This was followed up with a Regional level Conference of Southern States held at Bangalore. The MOSPI has launched a separate centrally sponsored plan scheme to strengthen state statistical systems on the basis of the recommendations of the Rangarajan Commission. For formulating the plan scheme, the MOSPI got a study of the State Statistical Systems studied and 35 Study Reports were got prepared.

3.11 The Rangarajan Commission also recommended that the State Governments may consider setting up commissions or committees to advise them on the manner

of implementation of its recommendations and on other issues relating to States' Statistical System. Action has been initiated by a very few States in this direction, but the outcome is not known.

3.12 In view of the above, the NSC considered it necessary to review the statistical systems at State level. Accordingly, information was sought from the States/ UTs in the prescribed questionnaire. The NSC would interact with the State level functionaries on receipt of inputs from them.

Identification of Core Statistics

3.13 The NSC has to evolve itself in future into a statutory institution to serve as a nodal and empowered body for all core statistical activities of the country, to evolve, monitor and enforce statistical priorities and standards and to ensure statistical co-ordination. It is mandated to identify the core statistics, which are of national importance and are critical to the development of the economy, to evolve standard statistical concepts, definitions, classifications and methodologies in different areas in statistics and lay down national quality standards on core statistics, and to evolve national strategies for the collection, tabulation and dissemination of core statistics, including the release calendar for various data sets.

3.14 The previous dispensation of the NSC deliberated on the issue of identification of core statistics. It decided to obtain the views of the Central Ministries and accordingly, the CSI addressed letters to 64 Central Ministries/ Depts. including the CSO and the NSSO requesting them to furnish latest by 31st March 2009, a list of core statistics with an explanatory note on how the statistics are used in policy making and are critical to the economy. A concept note was also sent to the Ministries/ Depts. along with the letter. By the end of the financial year 2009-10, response was still awaited from a few Ministries.

3.15 It was decided that the non-responding Ministries need to be requested once again to furnish the inputs. The Commission also recommended that all the Ministries may be further requested to furnish details of the statistics required to be generated by them due to international commitments. Accordingly, the concerned Ministries were requested to furnish the requisite information by 12th March 2010.

It was also decided that the matter needs to be taken up with the Ministry of External Affairs as they are the nodal ministry for international treaties and agreements.

3.16 The following Ministries have furnished 'nil' information in respect of core statistics.

- (1) Biotechnology
- (2) Defence
- (3) Development of North Eastern Region
- (4) Health Research
- (5) Micro, Small & Medium Enterprises
- (6) Public Enterprises
- (7) Scientific and Industrial Research
- (8) Space

3.17 The present dispensation of the NSC examined the inputs provided by the different Ministries/ Departments, keeping in view its mandate, and noted that statistical products that are used in a general way by various offices in the Government setup as also by the research institutions and the public at large shall be categorized as core statistics. Similarly, the statistical products that are required to be produced as a result of international commitments also need to be brought under the category of core statistics. In addition to this, the administrative statistics at the central and state levels also need to be included in core statistics, because regulating such statistics would save lot of resources on censuses/ surveys contemplated due to weaknesses in the administrative statistical system. Once a product is classified as core statistics, the entire process of producing it needs to be brought under the regulation of the NSC. Thus, the following products/ processes are proposed to be termed as core statistics.

- (1) Censuses conducted at national level or in a majority of States

- (2) Indices compiled at national level or in a majority of States
- (3) Sample Surveys conducted at national level or in a majority of States
- (4) Administrative statistics (Examples are statistics that could be generated under Companies Act, Limited Liability Partnership Act, Indian Partnership Act, Societies Act, Factories Act, Land Use Statistics [compiled under State regulations], **Mineral Conservation and Development Rules**, Registration of Births and Deaths Act etc.)
- (5) National Accounts Statistics
- (6) Statistics of Foreign Trade of India and Inter-State trade
- (7) Statistics in respect of resources including human resources of the country
- (8) Statistics on the performance of different sectors including infrastructure sectors, financial and external sectors of the economy at all India level
- (9) Minimum set of statistical products to be compiled by States/ UTs
- (10) Statistical Classifications & coding systems
- (11) Any statistical subject referred from time to time by Central Government or by three or more States for inclusion in the list of core statistics
- (12) Statistics required to be generated due to international commitments from time to time

3.18 The NSC decided that meetings of the Central Ministries in groups could be organized to arrive at the final list of core statistics, after detailed consultations. The representatives of the CSO (NAD), the RBI, the Planning Commission, the Department of Commerce and the Ministry of Finance would be requested to assist the NSC in the exercise, in all these meetings.

Training of statistical staff

3.19 The Chairman and Members of the NSC were impressed with the training facilities available at the National Academy of Statistical Administration (NASA).

There was an interaction with Shri A.K. Mehra, Addl. DG, Shri K.D. Maity, Dy. DG and other officers of the NASA, on further initiatives being contemplated to improve the training system both in its content and reach. The NSC desired that NASA shall place a detailed agenda note before it on these issues.

Professional Committees

3.20 The NSC felt the need to constitute professional committees on certain contentious issues. It has decided to constitute a Standing Committee to monitor implementation of the recommendations of the Rangarajan Commission and the present NSC and nine professional committees with fixed tenure on the following subject areas to assist it in its functions.

S. No.	Subject area
1.	Conditions to be fulfilled for pooling of Central & State Sample NSS data, methodology for pooling, time frame by which the exercise needs to be completed – Generating weighting diagrams from the pooled data at sub-state level for consumer price indices (Rural & Urban) including occupation-specific indices such as CPI (Agricultural Labourers), CPI (Industrial Workers) etc., from the NSS data on consumer expenditure surveys (quinquennial & thin sample)
2.	Data base on unorganized sector for bringing improvements in coverage, collection, compilation and dissemination
3.	Institutional arrangements for collection, compilation and dissemination of Consumer Price Indices Prices & inflation rates
4.	Data Management using developments in information technology and Dissemination conforming to International Standards
5.	Statistics for monitoring short term macroeconomic changes
6.	Social Statistics
7.	Agricultural Statistics
8.	Legislative issues in respect of official statistics
9.	Administrative statistical system of the Ministry of Corporate Affairs

Corporate Sector Statistics

3.21 The NSC reviewed the statistical system of the Ministry of Corporate Affairs in its meeting held on 22nd October 2008 and made some recommendations. The recommendations and the ATR thereof furnished to both the Houses of Parliament in respect of the recommendations were again considered by the NSC in its 29th and 30th meetings. The NSC decided to constitute a professional committee to look into the statistical issues in respect of Companies, Partnerships (Registration is voluntary), Limited Liability Partnerships and Societies, about which the relevant statutes are administered by the Ministry of Corporate Affairs. The Committee No.9 cited in para-3.20 relates to this subject.

Divergence between National Accounts PFCE and the NSS consumer expenditure estimates

3.22 The NSC felt that there is a need for constituting a Committee for looking into the divergence between National Accounts PFCE and the NSS consumer expenditure estimates. It was reported that a Committee in the CSO (Dr. Savita Sharma, Dy. Director General was the Chairperson of the Committee) has given a report on the subject. The NSC would consider the report and action plan, if any, contemplated thereafter, and decide further course of action.

Delay in dissemination of NSS Reports

3.23 The time lag in bringing out the NSS reports and placing the data in public domain has been a matter of concern. It was decided that Prof. Shibdas Bandyopadhyay, Member, NSC would examine the existing system, interact with the concerned officers, identify the bottlenecks and suggest ways and means of overcoming the problems, for consideration by the NSC. NSSO would provide necessary support in the exercise. The NSC would look into the issue in greater detail after receiving the study report.

Underestimation of population in NSS

3.24 The issue of underestimation of population in NSS has been a matter of

concern. It was studied in some detail, firstly by a Committee under the Chairmanship of Prof. Bimal Roy and subsequently, at the instance of the NSC, by Shri S.K. Sinha, former DG of the NSSO. The reports of these two studies and the views of the previous dispensation of the NSC would be considered in detail in future to find possible solutions to address the problem.

Subject coverage for 68th Round of NSS

3.25 The NSC considered the issue of deciding the subject of survey for 68th Round of NSS (July 2011-June 2012). It was reported by the NSSO that they had received three requests, namely – (i) from the Ministry of Rural Development for a nation-wide survey on evaluation of NREGA, (ii) from the CSO for a Time Use survey, and (iii) from the Ministry of Agriculture for a survey to find out the socio-economic condition of Indian farmers. The NSC had interactions with the concerned user Departments and the NSSO. Based on these deliberations, the NSC would decide the issue.

Workshop on Consumer Expenditure and related issues

3.26 The NSSO has been conducting household surveys on consumer expenditure for quite some time. The data on consumer expenditure is being used extensively by different Departments in the Government setup for purposes such as estimating poor population, construction of price indices, estimating private final consumption expenditure of household sector in National Accounts and understanding the levels of living. The NSC decided to commission papers from Experts on various issues relating to the subject and hold a Workshop to identify possible methodological improvements.

Methodology for seasonal adjustment of IIP

3.27 It was noted by the NSC that methodology for seasonal adjustment of IIP and other indicators is yet to be developed by CSO. The NSC desired that CSO should develop the expertise with the help of outside experts if necessary. Accordingly, it was recommended that CSO may sponsor a research project on this subject. DG, CSO informed the NSC that no progress could be made on the issue

and assured that it would be taken up shortly along with revision of base year for the IIP.

3.28 DG, CSO has been requested to make a presentation before the NSC on the methodology being followed for adjusting various indices for seasonality, including the quarterly national income estimates. The NSC would consider the issue in greater detail in future.

Methodology for computation of Diversity Index

3.29 An Expert Group constituted by the Ministry of Minority Affairs under the Chairmanship of Prof. Amitabh Kundu (former Member of the NSC) submitted its report on diversity index to that Ministry. The NSC in its 28th meeting (held on 8th July 2009) noted the media reports appearing in the Indian Express (27th June 2009) and Financial Express (26th June 2009) about CSO pointing out several flaws in the report of the Expert Group on diversity index. The Report of the expert group was not placed before the NSC.

3.30 The CSO stated that the Report of the Expert Group was referred by the Ministry of Minority Affairs to the CSO for comments and the CSO furnished its comments to the Ministry sometime in February 2009. The CSO also stated that it had some reservations about the methodology proposed for computing the diversity index and that while mentioning its reservations on the methodology to the Ministry of Minority Affairs also opined that the diversity index could be computed initially on a trial basis and the CSO could be consulted subsequently for further improvisations.

3.31 The NSC noted in its 28th meeting that while it may be difficult to find out the source of the media reports, the reports might have created serious confusion and misunderstanding in the concerned Ministries. Considering the fact that the proposed diversity index is very important for the Government from the policy angle and also in the light of the confusion that might have been created by the media reports, the NSC decided to consider the Report of the Expert Group as also all the comments on the Report received from various Ministries and experts by the

Ministry of Minority Affairs. Accordingly, the NSC Secretariat requested the Ministry of Minority Affairs to place the documents before the NSC.

3.32 In reply, the Ministry of Minority Affairs stated that as a proposal for setting up of an Equal Opportunity Commission as a statutory body is under consideration of the Government, the Ministry is not in a position to offer any comments.

3.33 The matter was reviewed by the NSC in its 29th meeting (held on 21st & 22nd January 2010) which was attended by a representative of the Ministry of Minority Affairs. He stated that the Ministry has moved a proposal to the Cabinet for setting up an Equal Opportunity Commission as a statutory body and hence they are not in a position to offer any comments.

Commissioning Technical Papers

3.34 It was also decided that papers should be commissioned from experts on two subjects, namely, (i) methodology for compilation of Spatial Price Indices to depict the differentials across different States/ UTs and major cities, and (ii) Generation of estimates of Well-being, Poverty and Deprivations at state and district level. The names of experts, the fee to be offered for each paper and other conditionalities/ modalities would be decided with the approval of the Chairman, NSC and action would be taken accordingly.

Chapter-IV

Recommendations made by the NSC

General Problems in compiling indices

4.1 Quality of data in respect of different types of indices being compiled in the Government setup has been a matter of great concern. The problem mainly arises due to delay in deciding the base year for compilation/ revision of indices. Often times, the choice of base year has been in the past. For example, it was proposed in 2008-09 to revise the base year of WPI to 2004-05. This requires collection of data for the base year after a gap of several years. This forces the data collection machinery to collect data which is either not available or suffers from the vice of recall lapse. The data so collected for the base year whose quality no body can certify forms the basis for the entire series, thus affecting the quality of the entire series of indices.

4.2 There is yet another problem, which is faced while preparing a basket of commodities for a base year in the past. No database would be available in the past, which could be used for making a choice on the basket of commodities. For example, the Annual Survey of Industries (ASI) does not provide a data base for making a choice on the basket of commodities for compiling the Index Number of Industrial Production (IIP). The ASI data base contains the details of product groups as per the classification used thereof, but not the details of product specifications. In such a case, selecting product specifications for IIP is often left to the imagination of the data collection machinery. Similar problem exists in respect of consumer price indices as well, where product specifications are fixed during market survey but not taken from any data base.

4.3 There are advantages in pre-specifying base year. For example, if it is now decided that 2011-12 would be the base year for next revision, -

- the concerned Department could plan the preparatory activities in a systematic way and obtain government sanctions for resources to launch any survey

for the purpose (normally, this activity takes about 3-6 months), and

- data on product specifications and prices/ quantities could be collected for the chosen base year, which helps in making a choice of basket of commodities for the index and also makes the data available without recall lapse.

4.4 There could be a criticism that a base year pre-specified could later be found to be a non-normal year. This may not be a very serious problem compared to the ones being faced now, because if 2011-12 turns out to be non-normal year, it would be easy to change the choice to 2012-13 or to a subsequent year and data collection would not be a problem.

4.5 The absence of a regular data collection mechanism in the Index producing offices is also a problem. For example, the CSO which produces IIP does not have data collection machinery for collecting monthly production data and is dependent on other Govt. agencies. Some of these agencies have outsourced data collection as a result it is not clear in the system as to who would take responsibility on the quality of data. There is also the problem of multiplicity of data collection, as the lines that could be drawn among the data requirements of different agencies producing consumer price indices at the Centre and in the States are very thin. Integration of such mechanisms could save lot of resources, which could be diverted to fulfill other needs.

4.6 With regard to the aforesaid general problems being faced by the official agencies producing different kinds of indices at national level, the NSC felt that the base year for revision shall be specified well in advance (say, at least 2 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.

4.7 At the instance of the NSC, views were invited from the CSO, NSSO, Labour Bureau, the Department of Agriculture & Cooperation, the Department of Industrial Policy and Promotion (DIPP), Office of the Economic Adviser, and DESs of Andhra Pradesh, Tamil Nadu, Assam, Bihar, Kerala, Orissa, Maharashtra, Uttar Pradesh, Uttarakhand, Lakshadweep, Andaman & Nicobar Islands Administration, Delhi, Goa, Haryana, Karnataka, Nagaland, Punjab, Sikkim, Tripura, and West Bengal on the following issues.

(1) Base year for next revision of an index

(2) Integration of data collection mechanism and avoiding multiplicity of data collection

4.8 On the basis of the views received, the NSC reviewed the matter. On the issue of base year for next revision in the future, there is a general consensus that the base year for all indices shall be same as that decided for National Accounts. Besides, the Consumer Price Indices (General as well as occupation specific) require a strong data base for deciding the weighting diagram, which in most of the cases is the Quinquennial survey of the NSSO on the consumer expenditure. Such survey is presently under progress, i.e., 66th Round of NSS (July 2009 to June 2010) and the next one is proposed to be conducted in the 72nd Round (July 2014 to June 2015). Hence, 2009-10 and 2014-15 could be considered for being recommended as the base years for all the indices.

4.9 The NSC recommended that the years 2009-10 and 2014-15 may be taken as the base years for all the indices and national accounts compiled by the official agencies at the Centre and in the States.

4.10 On the second issue, the optimal solution is that State DESs could collect price/ production data keeping some identification of required classes (such as occupation) and compile indices at State level and at the all India level, the organisations concerned such as the CSO and the Labour Bureau should use 35 weights for the 35 State level indices and compile national indices. Departure from the optimal solution will have adverse consequences such as duplication of efforts,

wastage of resources and at times conflicting statistics. But, it may not be possible to switch over to the optimal solution in one go, because of obvious reasons, such as all the States/ UTs may not be ready to take up price/ production data collection work. The feasibility of collecting price/ production data meeting the requirements of at least all the Index producing organisations at the Centre both timely and qualitatively is an issue for consideration and this aspect would be looked into in greater detail by a professional Committee (Committee No. 3 mentioned at para-3.20 of this report) decided to be constituted by the NSC.

Separate CPI for Government Employees

4.11 A reference was received from the Department of Expenditure, Ministry of Finance vide OM No.1(3)/2008-E.II(B) dated 21.10.08 on compilation of a separate index to regulate the Dearness Allowance and other allowances of Government employees as recommended by the Sixth Central Pay Commission. The Pay Commission had recommended 'National Statistical Commission may be asked to *explore the possibility* of a specific survey covering Government employees *exclusively*, so as to construct a consumption basket representative of Government employees and formulate a separate index' and this recommendation had been accepted by the Government. The Pay Commission also recommended that in the meanwhile, the Government may continue to use the All India Consumer Price index Number for Industrial Workers (1982=100) for estimating the DA. As a follow-up of this, the Ministry of Finance, Department of Expenditure requested the MOSPI to take further action in the matter. Accordingly, the MOSPI referred the matter to the NSC.

4.12 The reference was considered for the first time by the NSC in its 23rd meeting (held on 21st November 2008). It was noticed that one of the basic reasons for suggesting a separate index for Government Employees by the Pay Commission was that the existing CPI (Industrial Workers) covered only specific centers and sectors. Secondly, it was observed 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.

4.13 Following the recommendations of the NSC, the CSO has taken a decision to construct two separate consumer price indices covering the rural and urban population which can also be combined to produce a national consumer price index. The weighting diagrams for these indices are derived from the quinquennial household consumer expenditure surveys conducted by the NSSO. The latest survey for which data are available is the 61st round survey of NSSO. The share of average monthly per capita expenditure on different item groups forms the weights to be used in the construction of the index.

4.14 The National Accounts Division of the CSO in their submissions brought out the unequal distribution of Government employees across the four classes of posts. Around 64 percent of the posts were in the Group "C" Category and 29 percent in the Group "D" category. It was stated that a separate urban index viz., CPI (Urban) was under construction covering the entire urban population. The weighting diagram for the CPI (Urban) was derived from the 61st round of NSS. The weighting patterns of CPI (Urban) and CPI (Industrial Workers) were thus different.

4.15 During discussions in the 23rd meeting (held on 21st November 2008) of the NSC, a suggestion was made that CPI (Urban) covering all the urban population would be more representative and could also be used in place of the CPI (Industrial Workers) for the central Government employees. It was also felt that a new index for central government employees would increase the already existing multiple indices.

4.16 A strict identification of central government employees or for that matter even government employees in general is not possible from the NSS data on consumer expenditure. The data, however, provides consumer expenditure recorded for each household with household industry code recorded as per the National Industrial Classification (NIC). The household industry is that industry from which the household derived maximum earnings during the past year. The data relating to employment under public administration (NIC Division 75), under railways (NIC Class 6010) and under postal services (NIC class 6411) gives an approximate idea of the employment in the government sector.

4.17 Two sets of data are used to construct a consumer price index: price data for a basket of goods and services consumed and weighting data derived from expenditure shares. The price data are collected for a sample of goods and services from a sample of sales outlets in a sample of locations with a predetermined periodicity. It is reasonable to expect that bulk of the central government employees reside in the urban areas. Considering that the consumption pattern of the households deriving maximum earnings from government employment is not different from those of the general urban households, it appears to be realistic to adopt the CPI (Urban) which is under construction. The CPI (Industrial Workers) currently applicable for Government employees actually covers workers in the seven sectors of employment like, factories, railways, mining, plantation, public motor transport undertaking, electricity generation & distribution, and ports and docks etc. The consumption pattern given in column 4 is rather different from that of CPI (Industrial Workers) given in column 5. In this sense it would be more realistic to use the proposed CPI (Urban) rather than constructing a specific index for Government employees. Additional manpower resources are required if we go for separate price index for Government employees. It will also be difficult to revise this index at least once in ten years. Since the weighting diagram of CPI (Urban) is derived from five yearly NSS Consumer Expenditure Survey data, the CPI (Urban) can easily be revised every five years.

4.18 The table given below facilitates comparison between the consumption pattern derived from the 61st round of NSS for the proposed Urban and Rural index furnished by CSO and the consumption pattern of households having the aforementioned industry codes roughly corresponding to the government sector. Column 5 of the table gives the comparable consumption pattern for the Industrial Workers used in the construction of CPI (Industrial Workers) on base 2001=100, currently used for regulating the dearness allowance of central government employees.

Table: Comparative Weighting Diagrams					
Sub group sl. no.	Sub group/ group	CPI (Urban) provisional	Urban households reporting specified NIC	CPI (Industrial Workers) 2001	CPI (Rural) provisional
(1)	(2)	(3)	(4)	(5)	(6)
1	Cereals	8.73	7.99	13.48	18.85
2	Pulses	1.88	1.76	2.91	3.21
3	Milk & Milk Product	6.61	6.89	7.31	8.48
4	Edible oils	2.89	2.91	3.23	4.61
5	Egg, Fish & Meat	2.26	2.48	3.97	3.34
6	Vegetables	3.96	3.73	6.05 @	6.49
7	Fruits	1.88	1.95		1.87
8	Sugar	1.26	1.24		2.37
9	Spices	1.16	1.30	2.57	2.10
10	Non Alcoholic Beverages	2.02		6.68 \$	2.01
11	Prepared meals etc	3.17	4.61		2.54
12	Pan/Tobacco Intoxicants	1.35	1.48	2.27	2.69
	Food	37.16	36.33	48.47	58.57
13	Fuel and light	8.40	8.14	6.43	10.19
14	Clothing & Bedding	3.34	3.46		4.54
15	Footwear	0.57	0.69		0.76
	Clothing, bedding & Footwear	3.91	4.15	6.57	5.30
16	Housing	22.53	19.55	15.27	1.29
17	Education	4.18	5.63	6.18 #	2.67
18	Medical	4.34	4.01	4.56	6.63
19	Recreation and amusement	1.99			0.98
20	Transport and Communication	9.84		4.87	5.74
21	Personal care & effects	2.74		4.22	3.01
22	Household requisites	3.92		3.43 **	4.52
23	Others	0.99	22.19		1.10

	Miscellaneous	28.00	31.83	23.26	24.65
	Sample households	79298	4826		
	All Groups	100.00	100.00	100.00	100.00

Notes: @: includes fruits; \$: other food; #: includes recreation and amusement; **: other miscellaneous items.

Columns 3, 5 & 6 were as presented by the CSO in the 23rd meeting of the Commission. Column 4 is derived from NSS 61st round survey for urban households having specified household industry approximately corresponding to Government service.

4.19 The consumption pattern presented in column 4 is seen to be very similar to that in column 3 which is the weighting pattern proposed for the CPI (Urban). The lower weight for the housing could be due to the provision of subsidized housing rent imputed for the government quarters.

4.20 The NSC in its 26th meeting (held on 12th February 2009) noted the aforesaid views of the CSO and the NSSO, but still desired to explore the possibility of conducting a specific survey covering all the Central Government employees (as per the accepted recommendation of the Pay Commission), and for that purpose recommended that the complete frame of the central government employees covering the number of employees location-wise and group wise is needed to be obtained from the Department of Expenditure.

4.21 A communication was sent to the Department of Expenditure requesting them to furnish details of number of employees location-wise, group-wise (A, B, C, D) and category-wise (Defence, railways etc.). The Dept. of Expenditure 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 establishment. In view of this, the NSC Secretariat had written to the Directorate General of Employment & Training in the Ministry of Labour to furnish location-wise details.

4.22 The new dispensation of the NSC met for the first time in the 29th meeting (held on 21st & 22nd January 2010) of the NSC and noted the facts relating to the progress made till then in compilation of CPI (Urban) and the views of the Labour Bureau, NSSO and the CSO on the issue of compiling a separate index for Government employees. It also noted the details of Government Employees made available by the Department of Expenditure and the Directorate General of Employment and Training. The Weighting diagram of different commodity groups used by CSO (NAD) in CPI (Urban) using the results of the 61st Round NSS on Consumer Expenditure and the Weighting diagram for the same commodity groups derived from the same survey data for urban households having specified household industry approximately corresponding to government service has been examined by the NSC and it was found that both are in close proximity. In view of this, the NSC came to the conclusion that there is no need for a separate specific survey covering government employees.

4.23 It was reported by the CSO that the data for the CPI (Urban) is being collected from 310 towns covering 1114 quotations of which 274 relate to poor, 674 relate to middle and the rest relating to affluent population segments. It was also reported that regular prices are being collected by the NSSO (FOD) since May 2008 for the CPI (Urban) and that after selection of base year and also compilation of base year prices, new series of CPI (Urban) is expected to be available during 2010-11.

4.24 Based on the aforesaid facts, the NSC recommended that the CSO (NAD) may compile an index at state level leaving out the 274 poor category quotations and then combining the state level indices using the number of Government employees at state level as the weights. It was decided that after looking at the indices so computed, the NSC would take a final view in the matter.

NSC taking over the functions of the Governing Council of NSSO

4.25 The National Sample Survey Organisation (NSSO) Steering Committee was

constituted on 15th December 2006 with 16 members (8 officials and 8 non-officials) including the Chairman and the Convener. The tenure of the Committee was three years which expired on 14th December 2009. The NSSO made a request to reconstitute the Committee and they have suggested, with the approval of the Secretary, a few names for the positions of Chairman and Members in the Committee.

4.26 The basis for constituting the Steering Committee was that the Cabinet in its meeting dated 10th August 2006 decided to dissolve the Governing Council of the NSSO as the functions of the Council have been assumed by the NSC. The Council was dissolved w.e.f 30th August 2006 vide a Resolution issued by the MOSPI on that date. The NSC which had assumed its functions since then, decided to constitute a Steering Committee as an alternative mechanism for the Governing Council and it has also recommended the composition and Terms of Reference of the Committee.

4.27 The terms of Reference of the NSSO Steering Committee were as follows:

- a. Make recommendations to the NSC in respect of the following
 - (i) Short term and long term programme for National Sample Surveys including topics of surveys, periodicity, and subjects to be covered.
 - (ii) Methodological improvements in the conduct of National Sample Surveys.
- b. Finalize the sample design, concepts and definitions, questionnaires, tabulation plans etc. for specific round of Sample Survey.
- c. Prepare studies for improving survey methodology, data collection, processing, and dissemination and any other issue as may be referred to it by the Commission.
- d. Approve the survey reports for release.
- e. The Steering Committee may constitute Expert Groups for any specific technical issue that requires expertise beyond the core competency of the Steering Committee.

4.28 The Governing Council has been in existence ever since the NSSO was created, as both were set up under the Resolution dated 5th March 1970. Since its creation, the NSSO has been functioning under the overall direction of a Governing Council with autonomy in the matter of collection, processing and publication of survey data, thus ensuring freedom from undue interference. The Rangarajan Commission observed that the greatest strength of the NSS lies in its complete freedom from administrative and political influence, which is ensured through its autonomous Governing Council comprising academicians, professional statisticians and users. The functions of the Governing Council which have been assumed by the NSC are as follows:

- (i) Formulating its short period and long term programmes
- (ii) Exercising full authority on the choice of subjects or items on which data has to be collected in a given field of investigation or in a given period
- (iii) Deciding the frequency with which the data on any item is to be collected
- (iv) Formulating preparatory or pilot work to be undertaken on different subjects
- (v) Evolving the sampling design to be adopted, the tabulation to be prepared, the form in which the data are to be collected and processed
- (vi) Finalising the analysis and publication of results
- (vii) Taking action in suitable cases, without encroaching upon the legitimate spheres of activities of other statistical agencies of the Central and State Governments, to fill up gaps in the information needed by Government for policy formulation and for improvement of existing data collected by other agencies by supplementary collection of data by NSSO [Proposals should normally come from the concerned Ministries. Where it is initiated by the NSSO, it should have concurrence and support of the concerned Ministries or agencies. Requests for

collection or tabulation of data on behalf of other Ministries and agencies should not be accepted by the Council without the prior approval of the Government. Having regard to the limitation of resources, the emphasis should be on developing a stable and organically connected programme of data collection designed to fill gaps in statistics necessary for policy formulation and its implementation rather than setting up an agency to meet ad hoc requests for data coming from several quarters.]

- (viii) Indicating, while drawing up the programme of survey to be undertaken during a period, the form in which and the dates by which the results will be published. [The aim should be to publish the results in the form of tables with notes within twelve months of the completion of that survey. Apart from the publication of tables and notes, the comprehensive economic analysis of the collection of data and its publication should also be treated by the Council as an integral part of its functions.
- (ix) Exercising power to approve the budget of the NSSO within the total funds that may be provided by the Government every year
- (x) Deciding on the deployment of relative resources in investigating and processing of different items

4.29 On examination of the terms of reference of the Steering Committee and the working of the NSSO, the following facts came to notice.

- (1) The Annual Survey of Industries, the Improvement of Crop Statistics Scheme, the Urban Frame Survey and the Price Collection Surveys of the NSSO were not placed under the purview of the Steering Committee. On the basis of the recommendations of the NSC, the MOSPI had reconstituted the Standing Committee on Industrial Statistics (SCIS) inter alia to oversee the ASI issues. Similar arrangement does not exist for the remaining surveys of the NSSO.

- (2) Looking at the terms of reference of the NSSO Steering Committee constituted by the Government at the instance of the NSC, it appears that the functions at sub-paras (iv), (v) & (vi) of para-4.28 have been assigned to the Committee and the functions at the remaining sub-paras thereof have not been assigned to the Committee.
- (3) In so far as the powers and functions of the Governing Council are concerned, NSC has been the delegate, and so it cannot further delegate the same to another body. The records indicate that the work of the Steering Committee and the SCIS were never formally reviewed by the NSC, which has been giving an impression that these committees are independent of the NSC. The fact that these Committees were constituted by the Government but not by the NSC also supports this impression. This is perhaps not in order and needs to be corrected expeditiously.
- (4) Constitution of the Steering Committee has been conceived to be an alternative mechanism to the Governing Council. But in practice this did not happen, as the Governing Council was a High Level Committee and the Steering Committee has been treated as a routine Committee. The Chairman of the Council was entitled for a payment of ₹ 10,000/- per month (for Honorarium and clerical assistance). The Members of the Council were also entitled for payments on par with Members of a High Level Committee. In the case of the Steering Committee, the Chairman/ Members were only entitled for sitting fee and travel costs for attending meetings. If the Steering Committee is to be treated as an alternative to the Council, the treatment should have been on par with it.
- (5) Although the membership in the Steering Committee was 16, the actual attendance in its meetings was very high. It varied between 31 to 45 persons, as in almost all the meetings the support staff also attended. This raises the question whether we require such a big committee comprising 16 Members, especially including the officers

in a line hierarchy of a single organisation, that too looking at the fact that usually a Working Group actually formulates the methodology in detail. The NSC had also not reviewed the working of the Steering Committee so far nor had it deliberated on the functions that it had not entrusted to the Steering Committee.

- (6) It is also pertinent to mention here whether the Steering Committee has to be constituted by the NSC or by the Government on the basis of the recommendation of the NSC. Yet another point to be revisited is whether or not the Steering Committee could be responsible to the NSC.

4.30 Keeping in view the importance attached to the NSSO surveys, reports and data by the various Government Departments, Planning Commission, research institutions and experts, it would be necessary to put the conduct of the surveys, dissemination of data and related human resource development aspects in a tighter discipline to ensure timeliness, credibility, public trust and independence of the institution.

4.31 Hence, the NSC decided to directly take over the role of the Governing Council of the NSSO. It was also decided that all policy related and administrative/ monitoring issues would be deliberated and decided by the NSC. As and when a subject matter for study is decided by the NSC, a Working Group would be constituted by it for formulating the methodology and sampling design.

Use of population projections in bringing out general reports on NSS

4.32 The issue of bringing out general reports on NSS surveys containing estimates of absolute numbers was recommended by the NSC in its Annual Report of the financial year 2008-09. The issue of population projections to be used for this purpose was also considered by the NSC. The Office of the Registrar General of India (ORGI) furnished the following information along with a copy of the

Report of the Technical Group on Population Projections released by the National Commission on Population in May 2006.

“Population projection is a scientific attempt to look into the future population scenario made under certain assumptions using the available data at that point of time. There are several methods by which projections can be made. One of the widely accepted methods of making population projections is the ‘Component Method’. It makes explicit assumptions regarding the components of population growth, i.e., births, deaths and migration. This method is used by the United Nations in the projection programme. The latest available official projections of India and States (2001-2026) have been made by using the ‘Component Method’. The sources of availability of base data on which projections have been made are 2001 Population Census and time series data based on Sample Registration System (SRS). While the age-sex distribution of population and migration data are available from 2001 population census, the fertility and mortality data are available from SRS only. The methodology adopted for making population projections is given in Chapter-2 of the latest official Report of the Technical Group on Population Projections entitled ‘Population Projections for India and States 2001-2026 published by the National Commission on Population.”

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

4.34 The NSC in its Annual Report for 2008-09 stated that for the time being the NSS could use the population projections made by the Technical Group along with appropriate interpolations and survey based distributions while preparing estimates of absolute numbers under various categories. It was also stated that the issues of standardizing the methodology and periodicity for making population projections for official purposes and the assumptions on fertility, mortality and migration to be made for the purpose, duly prescribing the level of disaggregating at which the

projections should be made available, would be examined by the Commission subsequently.

4.35 The NSC in its 29th meeting (held on 21st & 22nd January 2010) again reviewed the existing system of population projections in the context of bringing out general reports on NSS surveys containing estimates of absolute numbers. The Commission noted that the Office of the Registrar General of India (ORGI) has brought out population projections for the period 2001-2026 at state level in respect of persons, males and females. It was stated by the DG, NSSO that if rural-urban break-ups for these three figures at state level are also given, their purpose would be served. The representative of the ORGI agreed to furnish this information to the NSSO which in fact has already been published by them in their report.

4.36 The NSC recommended that the information on population projections may be used by the NSSO in bringing out general reports.

NSS Report No. 530 (Household Consumer Expenditure, 64th Round)

4.37 The NSC considered the draft Report prepared by the NSSO on 64th Round Consumer Expenditure on the basis of comments received from two experts, namely, Prof. K. Sundaram and Prof. A.K. Adhikari and the response of the NSSO thereof.

4.38 The NSC gave clearance to the release of the NSS Report No. 530 (Household Consumer Expenditure, 64th Round) and the unit-level data used in preparing the report.

NSS 67th round Survey on Unincorporated Enterprises in the sectors of Manufacturing, Trade and Other Services

4.39 It was decided by the NSSO Steering Committee that NSS 67th round unincorporated non-agricultural enterprise survey might be modeled on NSS 55th round informal enterprise survey with minimal difference in coverage of enterprises. However, in order to give due representation to enterprises in the manufacturing, trade and services sector, it was decided to cover adequate number of first stage

units and in turn, adequate number of second stage units within each first stage unit, so that estimates are generated with a reasonable margin of error. Keeping in view the resource constraints, it was decided that the NSS 67th round might be devoted to enterprise survey alone unlike multi-subject enquiries in the past NSS rounds.

4.40 A Working Group for the 67th round was constituted under the Chairmanship of Professor S. R. Hashim, Director, Institute for Studies in Industrial Development, New Delhi. The Working Group in the first two meetings finalised the sampling design and listing schedule and detail schedule of enquiry. Thereafter, the Steering Committee in its 8th meeting held on 14.12.08 endorsed the sampling design and listing schedule and detail schedule of enquiry with minor modifications.

4.41 The Working Group in its third meeting held on 02.02.10 finalised the tabulation plan and suggested a few changes in the schedules to reflect the tabulation plan. The following key statistics are generally produced from NSS enterprise surveys and are presented in the reports at all-India as well as by state x sector (rural/urban/combined) x enterprise type x NIC code (2-digit level of NIC).

- a. Estimated number of enterprises
- b. Ownership Characteristics: (i.e., Proprietary, Partnership, Ltd. Company etc.) of the enterprises and nature of operation (i.e., Perennial, Seasonal & Casual)
- c. Maintenance of accounts, status of registration, whether working on contract
- d. Estimated number of workers, type of worker (working owner, hired worker & other worker), nature of employment (full-time & part-time)
- e. Input, Output & Value added
- f. Fixed Assets, Gross fixed Capital Formation
- g. Outstanding loan and sources of loan
- h. Interest paid

4.42 Additionally, information on use of Information and Communication Technology by individual enterprises is proposed to be collected for the first time in the 67th round.

4.43 It was reported to the NSC that the survey methodology was already approved by the NSSO Steering Committee and that improvisations suggested by the Steering Committee have been incorporated in the methodology by the Working Group under the Chairmanship of Prof. S.R. Hashim.

4.44 **The NSC noted the aforesaid facts and concurred the survey launch of the 67th Round NSS.**

Need for a separate Department of Statistics at the Centre

4.45 The present NSC comprises one part-time Chairman, four part-time Members, one full time ex-officio Member and the Chief Statistician of India as a non-Member Secretary.

4.46 The Government of India Resolution dated 1st June 2005 (Government of India Notification No. 85 dated 1st June 2005 published in the Gazette of India, Extraordinary, Part-III-Section 4) states that along with the establishment of the National Statistical Commission, the Central Statistical Organisation (CSO) and the National Sample Survey Organisation (NSSO) will be merged into a single entity called the National Statistical Organisation (NSO), which will function as the executive wing of the Government of India in the field of statistics and act according to the policies and priorities as laid down by the NSC. There is a need to fully and effectively establish this mechanism, as the executive wing has not been involved directly so far in the implementation of the recommendations of the NSC.

4.47 It was also stated in the aforesaid Resolution that the NSO would be headed by an Officer of the rank of Secretary to the Government of India, who will be designated as the Chief Statistician of India and he will also function as the Secretary of the Commission and that he will discharge the functions of Secretary of the Government of India in the Department of Statistics. But the present CSI besides

being the non-Member Secretary of the NSC is also the Secretary of the Government of India of the Government of India in the Ministry of Statistics and Programme Implementation (MOSPI). The MOSPI comprises Statistics wing and Programme Implementation (PI) wing. Thus, the CSI has to spend part of his official time to handle issues of the PI wing.

4.48 In April 1961, the present Statistics wing was a separate Department of Statistics set up in the Cabinet Secretariat. In 1973, the Department of Statistics became a part of the Ministry of Planning. In February 1999, the Department of Statistics and the Department of Programme Implementation were merged and named as the Department of Statistics and Programme Implementation under Ministry of Planning and Programme Implementation. In October 1999, the Department of Statistics and Programme Implementation was declared as the Ministry of Statistics and Programme Implementation, which position is continuing till today.

4.49 The Rangarajan Commission recommended (para-14.5.12 of its Report) that the Commission shall operate through the NSO, which will be the official agency to implement its policy decisions and that the NSO shall function as the single full-fledged Department of the Ministry of Statistics of the Central Government headed by the National Statistician, who would be the Secretary of the Department. The Rangarajan Commission also stated that essentially, the NSO should be the restructured form of the present Statistics Wing of the MOSPI. The Commission also recommended that the State Directorates of Economics & Statistics be elevated to the status of separate Departments.

4.50 The existing situation goes against the spirit of the recommendations of the Rangarajan Commission and also frustrates the objective of having a professional statistician as the head of the NSO, so long as he would not be in a position to spend his full time in performing his duties as the CSI and the Secretary in the Department of Statistics.

4.51 The NSC examined the present role of the Chief Statistician of India (CSI) as the Secretary to the Commission and the Secretary to the Government of India in

the MOSPI and noted that the CSI has to spend part of his official time to the affairs of the Programme Implementation (PI) Wing of the MOSPI which is totally unconnected with the statistical system. This is also against the spirit of the recommendations made by the Rangarajan Commission, which recommended a separate Department of Statistics at the Centre and also to elevate the status of Directorates of Economics & Statistics in the States to the level of separate Departments.

4.52 The Commission recognized the requirement of effectively discharging the nodal role by the CSI on full-time basis and accordingly recommended that the Statistics Wing in the MOSPI be made as a separate administrative Unit under the control of the CSI as a separate Department of statistics and to take away the PI wing from his control.

Nodal Role in the official statistical system

4.53 As pointed out by the Rangarajan Commission, nodal role in a statistical system comprises the following ingredients.

- Declaration of an office in the Government setup as the nodal agency on statistical matters
- Elevating the status of the nodal agency as an independent Department
- Appointing a professional statistician as the head of the nodal Department in the rank of Secretary
- Having a common cadre of statistical officers/ staff who could be imparted common training and who are working in various departments but professionally responsible to the Head of the nodal Department
- Designating statistical officers of common cadre working in different departments as nodal officers for the purpose of statistical coordination
- Assigning the function of technical coordination to the nodal Department for taking a holistic view of the Statistical System

- Tendering of advice by the nodal Department to other Departments on statistical matters
- Charging the nodal Department with the responsibility of taking an annual technical review of the statistical activities of all Government departments and submitting a report to the Government with its suggestions on the development of statistics in different fields

4.54 At the Centre, the MOSPI has been mandated to be the nodal Ministry on statistical matters. At the State level, the Directorates of Economics & Statistics (DES) have been designated as the nodal agencies on statistical matters in most of the States.

4.55 With regard to officers/ staff, the Indian Statistical Service (ISS) and the Sub-Ordinate Statistical Service (SSS) have been formulated at the Centre. At the State level, some of the States have a common cadre of statistical staff. The situation is not wholly ideal at the Centre as well as in the States, as some Departments having statistical work either do not have the posts of statisticians of common cadre or have non-statisticians working. This issue would be reviewed by the NSC in future.

4.56 The MOSPI introduced an agenda item before the NSC in its fourth meeting held on 11th September 2006. It was stated in the agenda that they had undertaken a cadre review of ISS officers recently and as a part of this exercise provided senior officers of the rank of Addl. Secretary/ Joint Secretary in 20 Ministries/ Departments at the Centre and Officers of the rank of Joint Secretary in 20 States, that it is proposed to utilise their services for improving lateral coordination and achieving the goals set by NSC from time to time, and that in this context, it has become necessary to define their role and functions. The Ministry also stated that they had addressed letters to 41 line Ministries/ Departments at the Centre to give their views on the issue and that views of 17 Ministries/ Departments were received. With the availability of senior level Officers from the Indian Statistical Service in both Central Ministries and States, the proposal from the Ministry was to effectively use them as Nodal Officers, by institutionalizing the functions of Statistical Advisers. The proposal was concurred by the NSC.

4.57 The NSC went into the proposal of the MOSPI to designate the Senior ISS officers, posted in the Ministries/ Departments consequent to the Cadre review, as nodal Officers with regard to all statistical matters and functions pertaining to the Ministry/ Department. The NSC recommended in its fourth meeting that these Statistical Advisers would be accountable to the Chief Statistician of India (CSI) on all core statistics. Further the reporting procedure for the Statistical Advisors in respective Ministries/Department may be left to the Ministry/ Department. Broadly they will perform the following coordinating functions besides their work in the Administrative Ministry/ Department:

- (i) coordinate with Chief Statistician of India (CSI) in the implementation of guidelines outlined/ issued by National Statistical Commission on statistical matters
- (ii) provide information/ data/ statistics as may be needed by the Ministry of Statistics as the nodal Ministry for Statistics;
- (iii) be responsible to the CSI in matters of core statistics and implement all the guidelines on 'core statistics' given by the National Statistical Commission
- (iv) Inform the CSI on the demands for more information/ data through surveys or other theoretical methods
- (v) advise and monitor the sharing of information among Centre and States and avoid duplication
- (vi) advise CSI on Human Resource Development issues pertaining statistical personnel of the Ministry/ Department

4.58 ISS officers posted in different States in the level of Joint Secretary and Director would perform the functions as below.

- advise and monitor the conduct of surveys on 'core statistics' in the State
- Coordinate the sharing and flow of information between Centre and State on statistical matters

- ensure follow-up action on the recommendations of NSC to the State
- ensure follow-up action on the decisions taken in the Conferences of Central and State Statistical Organisations
- assess and advise on the training needs of statistical personnel in the Sub-ordinate Central/ State Statistical officers/ staff in the State and
- Coordinate between CSI and the DES of the State in respect of quality standards on official statistics in both core statistical and others originating from the State Governments

4.59 The NSC recommended that the MOSPI may take suitable steps to institutionalize the coordinating and nodal role of the Statistical Advisers through appropriate administrative measures. The MOSPI issued an order on 5-6-2009 about the nodal functions assigned to Deputy Director Generals in NSSO (FOD). Similar action has not been taken so far in respect of senior officers of the ISS posted in Central Ministries.

4.60 In the ATR on the NSC Annual Report for 2007-08, it was stated as follows.

“A draft note on the role of Statistical Advisers in Central Ministries has been circulated to all the concerned Ministries. However, some Ministries who are handling core statistics have commented that “No ISS officer is available who could be designated as Statistical Adviser”. Therefore, those Ministries who are handling core statistics but not having ISS posts have been requested to create full fledged Statistics Wing with ISS officers at appropriate level. The reply from these Ministries is awaited.”

4.61 Considering the ATR in the light of the facts leading to the recommendation of the NSC, it appears that the Ministry has not acted properly. It is known to the Ministry that posts of ISS are not available in all the line Ministries and that ‘core statistics’ have not been identified yet. Linking the institutionalization of statistical advisers in the Ministries where higher posts of ISS were already created with these two aspects defies logic. Without assigning the nodal role and functions to the statistical advisers in line Ministries, it would be difficult to ensure effective statistical coordination.

4.62 Hence, the NSC reiterates its earlier recommendation to institutionalize the coordinating and nodal role of the Statistical Advisers through appropriate administrative measures. The MOSPI may issue orders immediately on this issue. With reference to other line Ministries where higher level posts of ISS are not available, a detailed reference may be made to the NSC.

Review of the ATRs submitted by the Government to Parliament

4.63 The NSC has so far submitted three Annual Reports to the Government for the financial years 2006-07, 2007-08 and 2008-09. In the Annual Report for the year 2007-08, the recommendations given by the NSC in its Annual Report of 2006-07 are also given. The Government submitted Action Taken Reports (ATRs) in respect of the Annual Reports of the NSC for the years 2007-08 and 2008-09.

4.64 The NSC reviewed the ATRs tabled by the MOSPI in both the Houses of Parliament. It was found that action is still pending on some of the issues, that the reported action taken on some of the recommendations was not satisfactory and that the recommendations were not taken with desired seriousness by the concerned Departments. It was also noted that some of the Departments might not have obtained the approval of their Minister before forwarding their part of the ATR to the MOSPI for consolidation. In a few cases, action reported indicated that it was under progress. It was noted that the Hon'ble Minister of Statistics & Programme Implementation would not perhaps be in a position to take the responsibility under the doctrine of collective responsibility of the Council of Ministers unless the other Departments obtain the approval of their concerned Ministers on the ATRs forwarded by them to the MOSPI.

4.65 Taking note of the aforesaid teething problems in bringing the system to stability, the NSC recommended that the MOSPI may, in future, insist upon the other Departments to forward their part of the ATRs only after obtaining the approval of their concerned Ministers. The Commission also desired that the latest status in respect of all the recommendations may be obtained from the concerned Departments

and placed before it. It was also recommended by the NSC that the ATRs should be circulated by the concerned Ministries to the department-related Parliamentary Standing Committees and Consultative Committees.

Follow-up action on the Report of the High-level Committee on Savings & Investment

4.66 At the instance of the NSC, the Government appointed a High Level Committee on Estimation of Saving and Investment under the Chairmanship of Dr. C. Rangarajan. The Committee submitted its Report to the Government on March 16, 2009. The National Accounts Division of the CSO furnished a note on the follow-up action to be taken on the report. The Reserve Bank of India (RBI) has requested for the Commission's feedback on the recommendations of the Committee.

4.67 The NSC decided that the NSSO would take up a pilot survey during 2010-11 as recommended by the Committee. Chairman desired that the expertise available with the NCAER and the Ministry of Agriculture (in respect of farm income) in directly surveying income of households may be utilized for the purpose. To workout the methodological details for the pilot study, the NSC recommended for constituting an Expert Group under the Chairmanship of Shri Suman K. Bery, Member of the NSC with the representatives of the NCAER, Ministry of Agriculture, NSSO, CSO (NAD), and the RBI as Members. The Commission also recommended that the CSO (NAD) may coordinate with the other agencies for implementation, workout resource requirements, if any, needed in the process in the NSSO and other Govt. Departments and place the material before the NSC.

Report of the Committee on periodical labour force surveys

4.68 The NSC in its 25th meeting (held on 22nd January 2009) felt that there existed a requirement for periodic employment and unemployment data besides the quinquennial surveys of the NSSO. The NSSO informed that due to the existing

resource constraints, the NSSO will not be able to carry out the proposed survey as a new item of work. In view of this, the NSC felt that the survey could be considered for the urban areas to start with, and a new mechanism for organizing such surveys. It was in this context that the NSC constituted a Committee under the Chairmanship of Prof. Amitabh Kundu, the then Member of the NSC to prepare a framework for conducting periodical labour force surveys. The Committee submitted its Report on 8th January 2010.

4.69 The Report was considered in the 29th meeting (held on 21st & 22nd January 2010) of the NSC and it was decided to elicit opinion of experts by directly writing to some of them and also placing the report in the official website of the MOSPI. The report has been placed in the official website 'mospi.gov.in' inviting views on it till 26th February 2010. Besides, letters have been addressed to 24 Experts/ Institutions requesting them to give their views by the same date.

4.70 The Report of the Expert Committee on Periodical Labour Force Surveys was presented before the NSC in its 31st meeting (held on 18th & 19th March 2010) by Dr. Rajiv Mehta, Addl. DG, NSSO, who was the Member Secretary of the Committee. The views of experts on the report and the comments of the Member Secretary were circulated in the meeting. It was noted that the following issues including laying down methodology for pilot survey need to be addressed.

- (i) Launching a pilot survey as recommended by the Committee
- (ii) Setting up a small expert group to look into different aspects of estimation procedure as suggested by the Committee
- (iii) Assessing the resource requirements through a new mechanism outside the NSSO to conduct the PLFS on a regular basis and disseminate results within a month for each quarter.
- (iv) Preparing tabulation plan for the PLFS
- (v) Releasing estimates in absolute figures using population projections or otherwise.

- (vi) Storage of data
- (vii) Disseminating time series data on the official website
- (viii) Measuring seasonality factors based on time series data

4.71 The NSC recommended that a Committee under the Chairmanship of Prof. Amitabh Kundu (subject to his acceptance) may be constituted for looking into the aforesaid issues. The views of experts and the comments of the NSSO thereof may be submitted to this Committee, so that further simplifications in the methodology could be considered. The Committee may submit its report for consideration of the NSC.

Committees appointed for various purposes in MOSPI

4.72 The MOSPI placed before the NSC, in its 29th meeting held on 21st & 22nd January 2010, a list of committees constituted by its various Divisions. Most of the Committees were related to statistical functions. The Committees on Periodical Labour Force Surveys, Advisory Committee on National Accounts Statistics, Standing Committee on Industrial Statistics (SCIS) and the Steering Committee of the NSSO were constituted at the instance of the NSC.

4.73 The Committee on Periodical Labour Force Surveys was chaired by Prof. Amitabh Kundu, the then Member of the NSC. The Steering Committee of the NSSO was constituted under the Chairmanship of Prof. Suresh D. Tendulkar, the then Chairman of the NSC. Both these committees have completed their tenure. The Standing Committee on Industrial Statistics (SCIS) reconstituted under the Chairmanship of Prof. Biswanath Goldar on 17th October 2006. It was noted by the NSC in its 29th meeting that the Committee met only twice since its constitution. The terms of reference of the Committee are to review the existing system of Industrial Statistics with special reference to the Annual Survey of Industries (ASI), to review statutory support for Industrial Statistics and to review the role of different organisations in the Government setup on Industrial Statistics. It was noticed that the Committee has deliberated mostly on the ASI issues and the issues relating to the Index for Industrial Production (IIP) but not on other issues in its mandate.

The Advisory Committee on National Accounts Statistics was constituted under the Chairmanship of Prof. K. Sundaram. The NSC noted that the working of the SCIS and the Advisory Committee on National Accounts Statistics has not been reviewed by it.

4.74 It was decided by the NSC to nominate Prof. Shibdas Bandyopadhyay, Member of the NSC in the Advisory Committee on National Accounts chaired by Prof. K. Sundaram and Prof. Anil P. Gore, Member of the NSC in the Standing Committee on Industrial Statistics chaired by Prof. Goldar.

Methodology for statistical audit

4.75 The NSC is mandated to exercise statistical audit over the statistical activities to ensure quality and integrity of the statistical products. Rangarajan Commission observed that statistical audit is necessary to assure the user not only of the quality of data presented, but also of the soundness of concepts, definitions and of the entire system of collection, processing, summarisation and dissemination of data. The NSC would be formally responsible for certification of the 'quality' of Statistics generated by the official statistical system, including the data collected through administrative records, surveys and censuses and would get this accomplished departmentally through the National Statistical Organisation (NSO). Certification of the quality of statistics may be extended to private producers of statistics on a voluntary basis.

4.76 The three most important determinants of the quality of statistics are validity, reliability and timeliness. Validity is concerned with the relevance of the collected statistics to the subject of the study. Reliability is assessed in terms of the extent to which the data are free from sampling and non-sampling errors. Statistics are timely if they are available when they are needed.

4.77 Concurrent audit of statistical activities is necessary for early detection of errors and mistakes during the progress of work, and their rectification in time.

This is essentially an internal activity of the data-collecting organisation. Besides, assessment and certification of the quality of the end product are done through an audit - by an external authorised auditor - of the final results embodied in a report and other related records and documents.

4.78 The Rangarajan Commission provided a list of items (may not be exhaustive), which could be audited, as given below:

- (a) Theoretical concepts and their modification into operationally feasible definitions, covering individual respondents, population of such respondents, sampling unit and information unit, frame and its adequacy, information to be collected from the respondents, etc.
- (b) Methods of data collection and handling: Interview, Direct observation or measurement, copied from records, mail enquiry, etc.; Steps to avoid respondents' or interviewers' bias; Treatment of sensitive questions; Deliberate redundancy to check consistency of information; Data transcription and scrutiny; Classification and coding; Choice of reference period and survey period; Design of questionnaire or schedule; Instruction manual.
- (c) In the case of secondary data acquired from administrative records – design of the form for recording and summarising, incomplete coverage and treatment of missing data, definitional consistency, checks on arithmetical errors.
- (d) Sampling design: uni-stage or multi-stage, procedure for stratification and selection at every stage; Formula for estimation of parameters.
- (e) Procedure for control and assessment of sampling and non-sampling errors; Manual and computerised procedures of scrutiny and editing of data; Methods for imputation of missing or rejected observations.
- (f) Data handling errors - Errors in data capture, editing, coding of open-ended textual responses, data processing, etc.

4.79 The NSC considered the aforesaid views of the Rangarajan Commission and decided to have a statistical audit conducted by Dr. N.S. Sastry, former DG of the NSSO (subject to his acceptance) on the all India IIP compiled by the CSO, as a test case, before laying down comprehensive methodology for the purpose. Dr. Sastry would be requested to take up the work as a Consultant and the concerned organisations would be requested to extend all cooperation to him and to make available to him relevant files, records, data and reports. The terms of reference for the audit shall include studying deficiencies, if any, in the following aspects:

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

Nomination of a representative from the NSC in the Council of the Indian Statistical Institute

4.80 It was brought to the notice of the NSC in its 29th meeting (held on 21st & 22nd January 2010) that the Indian Statistical Institute (ISI) approved an amendment to its Memorandum of Association (MOA) to include a Member of the NSC in the Council of the ISI. The NSC also noted that earlier to this there was no reference to the NSC to be represented through one of its Members in the ISI Council.

4.81 The facts leading to the aforesaid action of the ISI were reviewed by the NSC. When the Chairman & Members of the NSC met the Hon'ble Prime Minister on 31st July 2006, the Prime Minister advised the Commission to explore means to closely involve the ISI in its activities, since the ISI was set up to assist the planning

process in India. It was reported by the ISI that the issue of including a Member of the NSC in the Council of ISI was discussed as a miscellaneous agenda in the meeting of the Council held on 3rd March 2007 and that the MOSPI sent a note on 19th March 2007 to the ISI suggesting that a Member of the NSC may be made a Member of the Council of the ISI by way of amending the MOA of the ISI and to take him in the Council as an Invitee till such time. In the agenda before the meeting of the Council of the ISI held on 9th June 2007, it was stated "The Hon'ble Prime Minister advised the Commission to explore means to closely involve in the ISI in its activities, since the ISI was set up to assist the planning process in India. Thus, the phrase 'explore means to closely involve the ISI in its activities' in the advice of the Prime Minister has been quoted as 'explore means to closely involve in the ISI in its activities', in the agenda of the Council and this has become the basis for considering inclusion of a representative of the NSC in the ISI Council.

4.82 The Indian Statistical Institute (ISI) was registered on 28 April 1932 at Calcutta as a non-profit-distributing learned society under the Societies Registration Act, 1860, with Professor P.C. Mahalanobis as its founder Director. This was set up to carry out research, teaching, training and project activities, and it gradually became an important part of the statistical system of India, through its pioneering work on large-scale sample surveys, design of agricultural experiments, statistical quality control, planning for national development and use of electronic computers in statistical work. By an Act of Parliament, the Institute was declared as an "Institute of National Importance" in 1959 and the right to hold examinations and award degrees and diplomas in Statistics was conferred on it. The MOSPI is mandated to ensure the functioning of the Indian Statistical Institute in accordance with the provisions of the Indian Statistical Institute Act, 1959 (57 of 1959).

4.83 The NSC has looked into the provisions in the MOA of the ISI relating to the powers and functions of the Council of the ISI as also the provisions under the ISI Act. The NSC observed that the powers and functions of the Council of the ISI are of a Governing Body of a society and hence, the NSC in accordance with its mandate will not have any role to play. Even under the provisions of the ISI Act, the NSC has no role to play unless the Government entrusts any function to it under the

Act. It was also noted that if the NSC has to be represented in the Governing Council of the ISI as a Member, it requires amending the functions of the NSC with the approval of the Cabinet.

4.84 The Commission noted all the facts relating to nomination of a representative of the Commission in the Governing Council of the Indian Statistical Institute (ISI) and the fact that the MOSPI is represented in the Governing Council of the ISI through the Director General, Central Statistical Organisation.

4.85 **After detailed deliberations, the Commission decided that it should not be represented in the Council through any of its Members. However, the Commission would consider involving the ISI as well as other reputed research institutions in the country in technical aspects of the official statistical system, as and when required.**

Setting up official statistics unit in the ISI

4.86 It was reported in the 29th meeting (held on 21st & 22nd January 2010) of the NSC that the Hon'ble Prime Minister advised the ISI during his speech on 24th December 2006 at the Platinum Jubilee Celebrations of the ISI that the Institute could consider setting up an Official Statistics unit that would coordinate between the Central Statistical Organisation and researchers at ISI in matters of research and that the Institute could consider supporting collaborative research between ISI and official statisticians on topics relating to 'official statistics'.

4.87 **The NSC felt that setting up an Official Statistics Unit at the ISI would help improving the statistical system. Chairman of the NSC addressed a letter to the Chairman of the Governing Council of the ISI requesting him to fulfill the aforesaid wishes and advice of the Prime Minister. The MOSPI has been requested to take further follow-up action with the ISI.**

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