

INTRODUCTION

Genesis

Reliable and timely data base is the basic infrastructure needed for any sound and systematic planning. Efficient sectoral planning depends to a large extent on the availability of detailed information, preferably at micro level. Though a fairly adequate system of agricultural statistics has already been developed in the country, such an information system has not yet been built up for the non-agricultural sector. While statistics in respect of organised segments of the non-agricultural economy are being collected more or less regularly, it is not so in regard to its unorganised segments even though unorganised sector assumes greater importance due to its significant contribution towards gross domestic product as also in generation of employment in developing economy.

Earlier attempts

1.2 Attempts were made in the past to bridge these data gaps by both Central agencies and the States. The National Sample Survey Organisation (NSSO) had conducted some surveys on household nonagricultural enterprises in the past. The first round of NSS (1950-51) covered non-agricultural enterprises as one of its subjects. Such enterprises were covered regularly up to the tenth round (1955-56). Subsequently, selected activities were taken up for survey intermittently in different rounds (14th, 23rd & 29th rounds). Establishment schedules were canvassed in 1971 population census. The census of unorganised industrial units was carried out during 1971-73. Census of the units falling within the purview of Development Commissioner, Small Scale Industries was carried out during 1973-74 and a survey on distributive trade was conducted by some of the States during the fourth five-year plan period (1969-74). All such efforts made prior to 1976 to collect data on unorganised nonagricultural enterprises have been partial and sporadic.

Economic Census

1.3 The first coordinated approach to fill these vital data gaps was made by the Central Statistical Organisation (CSO), Government of India by launching a plan scheme 'Economic Census and Surveys' in 1976. The scheme envisaged organising countrywide census of all economic activities (excluding those engaged in crop production and plantation) followed by detailed sample surveys of unorganised segments of different sectors on non-agricultural economy in a phased manner during the intervening period of two successive economic censuses. The basic purpose of conducting the economic census was to prepare a frame while follow up surveys intended to collect more detailed sector specific information between two economic censuses. In view of the rapid changes that occur in the unorganised sectors of nonagricultural economy due to high mobility or morbidity of smaller units and also on account of births of new units, the scheme envisaged conducting the economic census periodically in order to update the frame from time to time.

First Economic Census (EC 1977) and follow up surveys

1.4 The first economic census was conducted through out the country, except Lakshadweep, during 1977 in collaboration with the Directorate of Economics & Statistics (DES) in the States/Union Territories(UT). The coverage was restricted to only nonagricultural enterprises employing at least one hired worker on a fairly regular basis. Data on items such as description of activity, number of persons usually working, type of ownership etc. were collected.

1.5 Reports based on the data of EC 1977 at State/UT level and at all India level were published. Tables giving the activity group-wise distribution of establishments with selected characteristics and with rural and urban break up were generated. State-wise details for major activities and size class of employment, inter-alia, were also presented in tables.

1.6 Based on the frame provided by the first economic census, detailed sample surveys were carried out during 1978-79 and 1979-80 covering the enterprises engaged in manufacturing, trade, hotels & restaurants, transport, storage & warehousing and services. While the smaller establishments (employing less than six workers) and own account enterprises were covered by NSSO as part of its 33rd and 34th rounds, the larger establishments were covered through separate surveys. Detailed information on employment, emoluments, capital structure, quantity & value of input, output, etc. was collected and reports giving all important characteristics on each of the concerned subject were published.

Second Economic Census (EC 1980) and follow up surveys

1.7 The second economic census was conducted in 1980 along with the house-listing operations of 1981 Population Census. This was done with a view to economise resources, manpower, time and money. The scope and coverage was enlarged. This time all enterprises engaged in economic activities - both agricultural and non-agricultural whether employing any hired worker or not - were covered, except those engaged in crop production and plantation. All States/UTs were covered with the sole exception of Assam, where population census, 1981 was not conducted.

1.8 The information on location of enterprise, description of economic activity carried on, nature of operation, type of ownership, social group of owner, use of power/fuel, total number of workers usually engaged with its hired component and break-up of male and female workers was collected. The items, on which information was collected in second economic census, were more or less the same as those collected in the first economic census. However, based on experience gained in the first economic census certain items viz. years of activity, value of annual output/turnover/receipt, mixed activity or not, registered/licensed/recognised and act or authority, if registered were dropped.

1.9 The field work was done by the field staff consisting of enumerators and supervisors employed in the Directorate of Census Operations of each State/UT. The State Directorates of Economics & Statistics (DES) were also associated in the supervision of fieldwork. Data processing and preparation of State level reports of economic census and their publication were carried out by the DES.

1.10 EC 1980 data were released in two series of tables ('A' series and 'B' series) with different sets of groupings for minor and major activities as also for agricultural and non-agricultural sectors. 'A' series gives the number of own-account enterprises and establishments with relevant characteristics classified according to nature of economic activity. 'B' series gives the principal characteristics of own-account enterprises and establishments classified by size class of total employment for each economic activity. Summary statements, which basically provide the sampling frame and planning material for follow-up enterprise surveys, were generated for rural and urban sectors of each State/District separately.. The reports were published both at State/UT level as well as at All-India level.

1.11 Based on the frame thrown up by EC 1980, three follow-up surveys were carried out, one in 1983-84 on hotels & restaurants, transport, storage & warehousing and services, second in 1984-85 on unorganised manufacturing and third in 1985-86 on wholesale and retail trade.

1.12 The third economic census scheduled for 1986 could not be carried out due to resource constraints. The EC 1980 frame was updated during 1987-88 in 64 cities (12 cities having more than 10 lakh population and 52 class-I cities) which had problems of identification of enumeration blocks and changes due to rapid industrialization. On the basis of the updated frame, four follow-up surveys were conducted during 1988-89, 1989-90, 1990-91 and 1991-92 covering the subjects of hotels & restaurants and transport, unorganised manufacturing, wholesale & retail trade and medical, educational, cultural & other services respectively.

Third Economic Census (EC 1990) and follow up surveys

1.13 The third economic census was synchronised with the house listing operations of the Population Census 1991 on the same pattern of EC 1980. The coverage was similar to that of EC 1980. All States/UTs except Jammu & Kashmir, where population census 1991 was not undertaken, were covered.

1.14 The tabulation plan consisted of generation of tables giving the results of EC 1990 under four broad categories: (a) agricultural own account enterprises, (b) agricultural establishments, (c) non-agricultural own account enterprises and (d) non-agricultural establishments. For each of these categories, details of number of enterprises, employment with rural -urban break up for each district were presented by size class of employment, major activity, etc. All these tables were grouped broadly in to three categories viz. (i) summary statements, (ii) main tables and (iii) derived tables.

1.15 Based on the frame thrown up by EC 1990 four follow up surveys were carried out: (i) Enterprise Survey covering sectors of mining & quarrying, storage & warehousing in 1992-93; (ii) Enterprise Survey covering sectors of hotels & restaurants and transport in 1993-94; (iii) NSS 51st round covering directory, non-directory and own account enterprises in unregistered manufacturing sector in 1994-95 and (iv) Directory Trade Establishments Survey in 1996-97. NSS 53rd round covered the residual part of the unorganised trade sector in 1997.

Fourth Economic Census

1.16 With a view to meeting the demand of various user departments for the data on unorganised sectors of the economy and considering the nature of large number of small units which are subjected to high rates of mobility and mortality, it was felt that the economic census must be brought back to its quinquennial nature so that an up-to-date and complete frame can be made available once in five years for conducting the follow up surveys. It was also felt necessary to assess the impact of economic liberalisation process on entrepreneurial activities of the country and to monitor the sectoral changes, particularly the emergence of the service sector. Keeping these aspects in view, fourth economic census was planned during 1996. But due to severe budgetary constraints the scheme could be launched in only in 1998.

1.17 The overall responsibility for organisation and conduct of the economic census rested with the CSO. The DESs of respective States/UTs were made responsible for conducting the field work and preparing the report.

Scope and coverage

1.18 A Technical Advisory Group (TAG) was constituted by Government of India for finalising the scope, coverage, concepts & definitions and schedules to be canvassed. The TAG considered the data requirements of different Ministries/Departments of the Central and State Governments and recommended the items of information to be collected, formats of the schedules and also the tabulation plan. The TAG inter alia recommended to carry out a Post Enumeration Check (PEC) in selected samples to assess the extent of non-sampling errors in economic census data. Besides, it also recommended to form a Monitoring Committee at national level to oversee the progress of economic census work.

1.19 In the fourth economic census a complete enumeration of all agricultural (except crop production & plantation) and non-agricultural entrepreneurial activities was carried out through out the country.

Schedules canvassed

1.20 Economic census operations envisaged identification of the enterprises through complete house listing in House List schedule (Annex I) and collecting the particulars about each enterprise identified through the house list schedule, in Enterprise List schedule (Annex II)

Primary Units in rural and urban areas

1.21 Like earlier economic censuses, the basic primary unit for conducting the fourth economic census in rural areas was census villages in all States/UTs except Kerala and Lakshadweep, where panchayat wards

were taken as primary units. However, in urban areas there was a departure from the earlier practice. The basic unit in urban areas was the NSSO Urban Frame Survey (UFS) block. This was done mainly because, in earlier economic censuses census enumeration blocks, temporarily carved out at the time of population census, were used which caused problem of identification in conducting subsequent follow up surveys. To facilitate proper identification of the UFS blocks in the field and for confining the census work within the boundary of each block, photocopies of latest maps of UFS blocks for each town/city along with its boundary particulars were supplied to the Directorate of Economic & Statistics of the States/UTs.

Preparation of Rural and Urban Directories

1.22 For identification of the primary units in rural and urban areas, twelve digit location codes were adopted to prepare directories of primary units separately for rural and urban sectors in each State/UT. The list of villages as per 1991 Population Census was used for preparation of the rural directory. Urban directory was based on UFS records obtained from the Field Operations Division of NSSO. The basic information thus obtained was updated for newly formed districts/tehsils/blocks etc. taking 15 August 1997 as the cut off date by the DES in each State/UT. Some of the States, however, updated the directories using a subsequent date as cut off point. Preparation of these directories was a pre-requisite for starting the field operations.

Definition of an Enterprise

1.23 For the purpose of fourth economic census, an enterprise was defined as an undertaking engaged in production and/or distribution of goods and/or services not for the sole purpose of own consumption. An agricultural enterprise was defined as one engaged in livestock production and agricultural services including hunting, trapping and game propagation, forestry, logging and fishing (corresponding to Divisions 02, 03, 04, 05 and 06 of Section 1 of National Industrial Classification (NIC)-1987). Enterprises engaged in activities pertaining to agricultural production and plantation (Divisions 00 and 01 of Section 1 of NIC-1987) were not covered under the economic census. Enterprises engaged in all other activities were termed as non-agricultural enterprises. Enterprises engaged in economic activities with the assistance of at least one hired worker on a fairly regular basis were defined as Establishments. The enterprises operated with the help of household labour only were termed as Own-Account Enterprises.

Coverage

1.24 All economic activities were covered except those carried out under the following situations.

- (i) Enterprises of shelter-less and nomadic population which keep on moving from place to place and camp either without shelter or with makeshift shelter.
- (ii) Enterprises engaged in some activities like smuggling, gambling, beggary, prostitution etc.
- (iii) Domestic servants whether they work in one household or in a number of households and drivers etc. who undertake jobs for others on wages.
- (iv) All wage-paid employees.
- (v) Household members engaged in household chores.
- (vi) Persons doing different types of jobs depending on the availability of work e.g. loading, unloading, helping a mason or a carpenter, doing earthwork for a contractor.
- (vii) Households working for others and earning some money (insignificant) i.e. purely employee households.
- (viii) Households in which none of the members is engaged in any gainful activity i.e. households depending on remittance, rent, interest, pension etc.
- (ix) Owners of tube-wells, tractors and bullock carts etc. who utilise their spare capacity to earn extra money if the spare capacity utilisation is occasional and not on regular basis.

Items of information collected

1.25 The items of information collected in fourth economic census included premises status, description of activity, nature of operation, ownership type, social group of owner, power/fuel used, years of operation, registration, source of finance, total number of persons usually working and hired persons with break up in male/female and adult/child categories.

Enumerators and Supervisors

1.26 The services of locally drawn personnel such as primary school teachers, patwaris, village level workers, municipal workers were drafted for enumeration work in most of the States/UTs. In urban areas unemployed youths were also appointed as enumerators in some of the States/UTs. The local officials of immediate supervisory level were appointed as supervisors. In all services of around 6.5 lakh enumerators/supervisors were drafted for census work. The enumerators and supervisors involved in the operation of economic census were given prior training at different levels.

Field Operations

1.27 The fourth Economic Census was conducted independently in all States/UTs. Initially it was proposed to launch the field work of economic census from Feb, 1998 and complete by April, 1998. But in view of General Lok Sabha elections, the date of commencement of field work was postponed. The field work was finally launched from 23 March, 1998.

Post Enumeration Check

1.28 As per the recommendation of Technical Advisory Group, in order to assess the extent of non-sampling errors in economic census data Post Enumeration Check (PEC) was conducted in all States/UTs immediately after completion of the field work of economic census. Two villages and two urban blocks were selected at random in each district through out the country. The schedules of economic census were canvassed by an independent agency. The field work of PEC was undertaken by the Field Operations Division of National Sample Survey Organisation in all States/UTs except Arunachal Pradesh, Manipur, Mizoram and Tripura, where PEC was done by the DESs of respective States.

Release of Provisional Results

1.29 In order to meet the immediate need of various users arrangements were made for quick tabulation of economic census data. An 'Enterprise List Abstract' (Annex III) was filled by the enumerator for this purpose on completion of the field work in a village/block. Aggregation of data with rural-urban break up at tehsil, district and state level was done by the DESs. The provisional results in respect of 30 States/UTs were released by CSO in June 1999.

Tabulation Plan

1.30 The tabulation plan recommended by the Technical Advisory Group was adopted. Two series of tables were generated: (a) main tables and (b) special tables. The main tables were to provide State/UT-wise results in respect of principal characteristics of the enterprises and employment therein classified by major activity groups, type of enterprises, ownership type, social group of owner, size class of employment, power/fuel used, source of finance, etc., The special tables were to reflect major characteristics of data at all India level. The tabulation format of the main tables is given at Annex IV.

Development of Software

1.31 Softwares for data entry, validation, auto-correction as well as for tabulation were developed at the Computer Centre, of the Ministry of Statistics & Programme Implementation, Government of India, New Delhi. These softwares were supplied to the DESs in States/UTs. Necessary training for using the softwares was also imparted.

Data Processing

1.32 Processing of fourth economic census data was undertaken in a decentralised manner. DESs of each State/UT was made responsible for processing of data through in-house facilities available with them or by engaging outside agencies. The data entry work in respect of Arunachal Pradesh, Assam, Bihar, Jammu & Kashmir, Kerala, Madhya Pradesh, Manipur, Mizoram, Sikkim, Tamil Nadu, West Bengal, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, Delhi, Lakshadweep and Pondicherry was undertaken by the respective DESs using in-house facilities available with them. Rest of the States/UTs except Nagaland and Orissa, hired the services of outside agencies. For Nagaland and Orissa data entry as well as its processing was done at Computer Centre, New Delhi. All India tables were generated at the Computer Centre, New Delhi.

Classification of Enterprises

1.33 The National Industrial Classification (NIC) 1987 was used for classifying the enterprises. The list of major agricultural and non-agricultural activity groups in which principal characteristics of the enterprises have been classified is given at Annex V.

Concepts and Definitions

1.34 Concepts and definitions of the important terms used in fourth Economic Census are at Annex VI.

Format of the Report

1.35 Besides this chapter this report contains four more chapters. The second chapter gives the highlights of the results. The subsequent two chapters describe the characteristics of agricultural and non-agricultural enterprises respectively. The last chapter presents a comparative picture of the results of earlier economic censuses.