

# Evolution of Economic Census in India

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## Abstract

*Economic Censuses focus on the whole economy and it's all establishments which involved in economic activities and their every type of detailed information which would be needed for policy making and preparing of developmental plans for whole country as well as all the sectors of the economy. The economic census is expected to be executed generally and it should not exceed five years. Economic censuses are playing a very important role in various aspects in the economy. It provides information on operation and other characteristics of the units involved in economic activities that is why in India time to time we are conducting, collecting and analysing the economic census and using it according to the needs. Till the date from first to seventh economic census helped us in one or another way to get overall database, numerical information of the economic activities whatever carried out in the whole country. The Seventh EC is the latest census being conducted since 2019. For the first time whole census is collecting on the digital platform. From Seventh EC onwards, it will be held in every three years.*

**Keywords:** Economic Census, Establishment, Agricultural, Non-agricultural, Statistics, Unit, Economic Activity, Production, Service, Growth, Employment, Indian Economy

## Introduction

A well-grounded and strong database is very important for the calculation of a nation's growth. A census is an adequate method of survey that helps us to get the numerical information of any system. Therefore, Economic Census (EC) is the collection of statistical data from all the economic units involved in various productive activities in the country.

EC is an instrument to heighten our perception of the economic system and make strategies and policies more significant and beneficial. It also improves our future outcomes and findings better. From time to time collecting the economic census helps us to understand and measure the overall valuable sources of activities, employment, occupation, nature, and their diversities. In most developing countries like India, economic activities providing various development opportunities. and the economic census helps us to know these units and their contribution to the economy.

In India, all states and union territories involve with the great goal to provide statistical information in the conducting of the EC. The collection of the database EC is one of the challenging tasks. Indian economy is classified into two sectors one is the Agriculture sector and another one is the Non-agriculture sector. In these sectors, we can get numerical data of the Agriculture sector easily. But the collection of numerical data of the non-agriculture sector is a little tough job that has its significance in the development of the economy. Therefore, the conducting of the EC to collect the database of this sector plays a very important role in the economy.

## History of EC

An Indian EC is the census of the whole Indian economy which estimating and measuring the all-entrepreneurial units of the nation comprised in all economic activities. So, it is very important to study about the performance of the economic census in all dimensions.

In 1925 the Economic Enquiry Committee was established under the Chairmanship of Shri Visweswarayya and further in 1934, the Bowley-Robertson Committee established, stood reliable for the government's determination to set up an Inter-Departmental Committee (IDC) with the Economic Adviser to the Government of India as the chairperson. The IDC proposed the construction of a CSO for coordination, the foundation of a statistical cadre, organization of State Bureaus at State level offices, and sustenance of crucial database for the whole country. Bowley and Robertson Committee assigned research to investigate the probability of executing economic censuses in India. The first corresponded strategy was formulated by the erstwhile CSO, GoI, by inaugurating a planned strategy 'Economic Census and Surveys' in 1976. The scheme organizing overall country and the census of all economic activities (except crop production and plantation) followed by comprehensive specimen surveys of unorganized units of various sectors of non-agricultural establishments in a proper description during the successive economic censuses.

In India, the first EC was conducted in 1977 in collaboration with the States/UTs. After that period the economic census is conducting to collect the database of the non-agriculture sector. But the scope was constrained. The next censuses were executed in the years 1980, 1990, 1998 and 2005. The sixth and recent census was administered in the year 2013.

### Importance of the EC

The EC of India is a considerable report EC is the detailed record of all non-farm economic units found within the geographical border of India. The EC gives complete information on several functional and structural variables of all the economic units which involved in economic activities and establishments. The Census also contributes precious insight into geographical locations of any type of economic activities, structures, works engaged in those establishments and the type of ownerships, etc. of all economic units in the country. The information collected during economic census are useful for developmental planning and policy making at Central, State and grassroots levels. EC also donates an upgraded survey structure for enterprise to collect prepare detailed samplings and comprehensive analysis of various economic divisions in the country. In belief of the quick transitions that happen in the unorganized sector of non-agricultural economy.

The significant motive of conducting the EC is to formulate a structure for follow up analyses planned to acquire more detailed information of all the economic units which involved in not only focusing on different

economic activities but also in perspective of the speedy changes that result in the unorganised sectors of non-agricultural economy. The huge mobility of minor units and also on account of openings of new units, it is essential to prepare the time to time frame to get accountability by conducting the economic census periodically.

**Table 1: Summary of the EC of India**

Sl No	Economic Census	Year
1	First EC	1977
2	Second EC	1980
3	Third EC	1990
4	Fourth EC	1998
5	Fifth EC	2005
6	Sixth EC	2013
7	Seventh EC	2019

Source: MOSPI

### First EC

In India, the First EC was planned to conduct during 1976. So government launched the scheme called Economic Census and Surveys. In 1977 the Central statistical organization with the collaboration of the Directorate of Economics & Statistics (DES) conducted the first Economic Census. This census was conducted all over India except Lakshadweep. Data were collected for all the establishments, descriptive activities, number of employees, etc.

The Reports established on the data of Economic Census 1977 at covering all India were prepared and published. State-wise all important activities and extent category of workers were also prepared.

Based on the structure given by the First EC, related and well defined sample surveys were conducted during 1978-79 and 1979-80 enclosing the establishments which were involved in manufacturing, hotels & restaurants, transport, trade, storage & warehousing, and services. The small establishments (which have less than six workers) and own account establishments were enclosed by the National Sample Survey Organisation of its 33<sup>rd</sup> and 34<sup>th</sup> rounds, the bigger establishments were enclosed through specific surveys by the Central Statistical Organization. The economic census was pursued by accurate surveys in 1978-79 and 1979-80 covering all respective establishments. And detailed information about employment, capital structure, the value of input and output, etc. were obtained and reports providing all significant factors on each of the identical subjects were published.

The coverage of the first EC was limited only to non-agricultural enterprises.

### **Second EC**

The Second EC was operated in 1980 with the house-listing systems of the 1981 Population Census. The second economic census was executed with a perspective on resources, workforce, finance, and duration. The extent and scope of this census were broadened because it concentrated both agriculture and non-agricultural establishments which involved all economic activities excluded those activities which involved crop production. The second economic census covered all States/UTs (excluded Assam- because the population census was not covered in this state).

The data on area of enterprises, nature of economic activity held on, character of operation, category of ownership, use of energy, total the number of employees connected with its hired units, and number of male and female labourers also collected.

The outcomes of the EC, were vastly used in planning. And also surveys were supervised to collect data of the units which involved in the activities like-Transport, Hotels & Restaurants, Services and storage & warehousing, Unorganized Manufacturing, Trade Medical, Educational, Cultural & other services etc.

The data on location of units, nature of economic activities brought out, description of operation, kind of ownership, social association of owner, usage of power/fuel, entire number of workers regularly employed with its hired unit and number of male and female workers were also collected. The elements on which data were collected in second economic Census were as similar as the data collected in the First Economic Census.

The second EC was revealed that 18.14 million enterprises were found in the country. 11.19 million (61%) enterprises were located in the rural areas whereas 7.22 million (39%) were located in the urban areas. Total 53.58 million people were working in these enterprises.

First stage enterprises posed obstacles in the collection of proper data due to changes in urban structure. All this information was utilized to perform sample surveys after 1987-88.

### **Third EC**

The Third EC was collected in the year 1990 and it was combined with the house listing operations of the 1990 Population Census. The size and scope of the EC was confirmed by a Technical Advisory Group illustrated by the Planning Commission, National Sample Survey Organization, Computer Centre of the Department of

Statistics, Reserve Bank of India, Office of the Registrar General and Census Commissioner, Ministry of Industry, Ministry of Labour, State Directorates of Economics & Statistics and institutions.

The Third EC coverage was similar to the Second EC. All states and union territories were covered but Jammu and Kashmir state was excepted for this survey because population census 1991 was not covered in this state.

The Third EC was collected under the broad categories namely (i) Agricultural own account enterprises. (ii) Agriculture establishments. (iii) Non-agricultural own account enterprises. (iv) Non-agricultural establishments.

The characteristics of the Census yields at all over India, for agricultural and non-agricultural sectors separately discussed.

The Third EC had revealed that there were 25 million and represents in the country excluding Jammu and Kashmir engaged in different economic activities other than crop production and plantation with 72.08 million persons working in them. The 14.72 million enterprises are where located in the rural areas and the remaining 10.28 million and represents where located in the urban areas.

### **The Fourth EC**

The Fourth EC was conducted in the year 1998. To meet the demand of several user bureaus for the collection of data on unorganized sectors of the economy and assessing the quality of a vast percentage of small departments which are subjected to huge rates of mobility and mortality, this census was followed by the updated framework. In 1996 this economic census was planned.

A technical advisory group constituted by the GoI for finalizing scope and coverage of the fourth economic census The TAG Considered the data of different Ministries / Department of Central and State Governments and recommended the items of information to be collected.

The overall responsibility of the collection of data for organisation and collecting of the economic census laid on the CSO. And the DESs of all the States/ and UTs were responsible for collection of data, the field work and formulating the report.

The Fourth EC was executed in all state union territory. Establishments and workers found within the country. All enterprises which were involved in the economic activities production or distribution of goods or services were counted. And those all units which involved in non-agricultural activities were also covered, (excluding crop production and plantation activities).

Total 30.35 million enterprises were found in the country. 17.71 million (58.3%) enterprises found in rural areas

whereas 12.48 million (41.7%) found in the urban areas. The growth rate of enterprises during 1990-98 was 2.38% per year. Total number of employment was 83.30 million in this about 39.90 million (47.9%) were in rural area and 43.40 million (52.1%) were workers found in urban enterprises.

Originally it was proposed to be completed by April 1998 but because of general lok sabha elections the field work of the Fourth EC was postponed and again initiated from 23 March 1998.

### The Fifth EC

The Fifth EC was executed in 2005 encompassing all activities except agricultural crop production. The comprehensive task for organization and handling of Economic Census laid with the CSO. The DESs of all States and UTs were made to collect a proper database with a suite framework and formulate the report about their respective states.

There was no modification in the scope of the Fifth EC as correlated to the Fourth EC. Economic Census gives good coverage for factual surveys and provides essential enterprises data to frame new development plans for unorganized sectors of the economy.

During Fifth EC, numerous seminal efforts and improvements were attempted to expand the scope of data and stimulated the simple procedures and credibility of the data.

The major purpose of the Fifth EC was to formulate a shape of all "establishments" committed in several economic activities which provide as a main sources for executing comprehensive surveys correlating to particular activity of the economy. To enhance the utilization of the information obtained and to expand the accuracy of data developed fresh enterprises were introduced allowing to formulate schedule of establishments hiring of employees 10 or more etc. ICR technology also used for the first time in fifth economic census data collection. To prevent feasible blunders in transcription of the information.

Total number of establishments were 833898. In this 457950 (54.92%) were in rural area and 375948 (45.08%) were in urban area. Total 2244817 number of people employed in all the establishments, 1111460 (49.51%) were employed in rural areas and 1133357 (50.49%) people were employed in urban areas. The Fifth EC was conducted in all the States and Union Territory of the India.

### Sixth EC

The Sixth EC was administered in all the states and UTs of the country in the year 2013-14. The EC Unit

of the Economic Statistics Division, CSO, MOSPI, GoI were provided all the framework whatever needed for the collection of data. The Sixth EC was conducted in all the States and Union Territories of the country in collaboration with State/UT Governments.

The Sixth EC directs to give information on quantity of establishments and figure of workers, activity wise, including all the sectors except crop production, plantation, public administration, defence and mandatory social security of the country. Which were including volume of all over India, States, districts, and at village/ward levels for inclusive estimation of the pattern of the economy.

The coverage of sixth EC was same as previous census. The method observed since the Second EC to enclose all agricultural activities eliminating crop production and plantation was proceeded in this EC. The detailed information about crop production plantation is covered in the Agricultural Census since 1970-71. If there is non-agricultural activities units and engaged in public administration, defence and compulsory social security activities were eliminated in Sixth EC, as such data exists with the Government and also because of the problems encountered in collecting data from those establishments in the time.

In sixth EC, the Data for handicraft/handloom establishments were covered for the first time. Total 58.5 million establishments were found to be in operation out of 77.6% were engaged in non-agricultural activities. Approximately 51.71% people were working in rural areas and 48.29% people were working in urban areas.

**Table 2: Census-wise Growth rate in Establishments**

Sl No	Year	No of Establishments	Growth Rate (%)
1	1980	18414339	-
2	1990	25002200	35.78
3	1998	30348900	21.38
4	2005	41253630	35.93
5	2013	58495359	41.72

Source: MOSPI

Throughout an intermediate period of about 8 years between Fifth EC and Sixth EC, the number of total establishments in the country boosted from 41.25 million in 2005 to 58.5 million in 2013. And also 41.79% of growth registered during the this period. This growth was 38.37% seen in rural areas and 47.13% seen in urban areas.

**Table 3: Census-wise Growth rate in Employment**

Sl No	Year	Employment	Growth Rate (%)
1	1980	53582900	
2	1990	72075700	34.51
3	1998	83299500	15.57
4	2005	95054007	14.11
5	2013	131293868	38.13

Source: MOSPI

The Sixth EC was executed from January, 2013 to April, 2014 in all the States and UTs of the India.

In sixth EC, many positive growth rates were found in establishments. Identical tendencies were identified in employment except for Delhi where it dropped by 11.20% compared to Fifth EC. Distribution of agricultural and non-agricultural establishments by size class of employment of the establishments and broad activity wise total no and percentage of persons employed in establishments with eight or more persons employed sector wise in the Sixth EC is presented in Table 4.

**Table 4: Distribution of agricultural and non-agricultural establishments by size class of employment of the establishments**

Activity	Size class of establishments										
	1-5	6-9	10-14	15-19	20-24	25-29	30-99	100-199	200-499	500 or more	All Classes
	Number of establishments										
Agricultural	12947161	136652	32610	3060	3265	760	7582	315	114	54	13131573
Non-agricultural	42913125	1695049	337923	123168	77176	41071	140885	20685	10527	4177	45363786
Combined	55860286	1831701	370533	126228	80441	41831	148467	21000	10641	4231	58495359
Activity	Percentage distribution of establishments										
	98.60	1.04	0.25	0.02	0.02	0.01	0.06	0.00	0.00	0.00	100.00
	94.60	3.74	0.74	0.27	0.17	0.09	0.31	0.05	0.02	0.01	100.00
Combined	95.50	3.13	0.63	0.22	0.14	0.07	0.25	0.04	0.02	0.01	100.00

Source: MOSPI

### Seventh EC

The Seventh EC is the latest census being conducted since 2019. For the first time whole census is collecting on the digital platform. The seventh EC balances, the coverage can be expanded to include similar sectors from the eighth EC onwards. It was decided by Government of India that from Seventh EC onwards, it will be held in every three years. (Business Line, 2019).

All households/ establishments engaged in non-agricultural economic activities including construction, except public administration, defense and compulsory social security are proposed to be covered in the Seventh EC.

All households and establishments are proposed to be covered in the seventh EC. Enumeration blocks

of Population Census 2011 will form the primary geographical unit.

One of the main aims of the EC is preparation of a National Business Register which can be linked with existing databases at the central and state government levels. It is also proposed to have in place a threshold turnover in monetary terms for such households/ establishments for inclusion in the coverage of the Census.

Establishments with fixed structures will be covered at the place of their operation. However, economic activities that are carried out without any fixed structures will be covered at the place of the residence of the owner. All types of establishments (perennial, seasonal and casual), existing on the date of census, although may not be in operation on the day due to certain reasons, are also proposed to be covered in the census.

The Government of India has extended its period due to covid-19. (Economic Times, 2020)

### **Conclusion**

Economic Censuses focus on the whole economy and it's all establishments which involved in economic activities and their every type of detailed information which would be needed for policy making and preparing of developmental plans for whole country as well as all the sectors of the economy. The economic census is expected to be executed generally and it should not exceed five years. Economic censuses are playing a very important role in various aspects in the economy. It provides detailed information on operation and other characteristics of the units involved in economic activities that is why in India time to time we are conducting, collecting and analysing the EC and using it according to the needs. Till the date from first to seventh EC helped us in one or another way to get overall database, numerical information of the economic activities whatever carried out in the whole country. The Seventh EC is the latest

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