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Policy Watch: National Statistical Commission Bill

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Recently, the Ministry of Statistics and Programme Implementation (MoSPI) released the draft **National Statistical Commission (NSC) Bill, 2019** to make data collection more transparent and reliable. The present draft NSC Bill proposes to establish a National Statistical Commission as the **nodal and autonomous statutory body** for core statistical activities of the country. The Bill also proposes the NSC to be a body corporate.

Background

- In **2000**, a Commission was set up by the Government under the Chairmanship of **C. Rangarajan** to review the statistical system and the entire gamut of official statistics in the country.

- The Commission in its report (submitted in 2001) recommended to establish a **permanent National Commission on Statistics** that can serve as a nodal, independent and empowered advisory body dealing with all core statistical activities of the country.
 - However, it also recommended that the Commission can be initially set up through a Government order.
 - In line with this recommendation, on **1st June 2005**, the Centre by an executive notification created a National Statistical Commission which **lacked statutory backing**.

Key Provisions

- **Composition:** The draft Bill proposes for a full time Chairman and members nominated from amongst eminent persons, including, Deputy Governor (**RBI**) as a member of the Commission and the Chief Economic Adviser as its ex-officio member.
- **Chief Statistician of India (CSI):** This position has been created to head the National Statistical Office (NSO). CSI will be a member of NSC.
- **Statistical Audit:** The bill provides for establishing a **National Statistical Audit and Assessment Organization** (within NSC) with a **Chief Statistical Auditor** in the rank of Secretary to the GOI.
- **Independent Secretariat:** To strengthen the autonomy of the Commission, the Bill proposes setting up of an independent secretariat to be headed by a Secretary rank officer of GOI.
 - It also envisages **financial autonomy** for the Commission through an independent **National Statistical Fund**.
- **Functions:** Its functions can be broadly classified as:
 - **Core Statistics: Nodal empowered body** for setting up mandatory standards in respect of Core Statistics defined as statistical indicators which are critical for monitoring the socio-economic policy of the government.
 - **Standardization: Evolve, monitor and enforce** statistical priorities and parameters/standards for data by way of periodical review and audit.
 - **Rationalization:** Ensure **strong coordination** through close linkage between budget and statistical programming agencies in order to create robust rationalized data.
 - **Advisory:** The NSC can take up **suo-moto recognisance** of matters related to legislative and administrative policies and technology intervention issues of Center and States, and can advise the government on such matters.
 - It is empowered for timely **identification, collection, processing and dissemination** of reliable rationalized data.
 - It encourages other Government agencies to proactively bring forth issues pertaining to the national statistical system for discussion and deliberation.

Significance of the Bill

- **Collection:** There was a need for the **structured collection of data** for many government programme interventions in order to help policy-makers to solve policy-related issues.
- **Providing more Teeth:** The revised composition of NSC aims to reinforce its independence and align it with the vision and broad contours of national policies and priorities.
- **Credible Data:** There is a dire need for the **availability of credible robust data** in the public domain so as to gain the trust of the people by preventing the spread of fake/ unreliable data. For instance, until now there was a data on homeless people in the country but it could not be shared with the agency providing housing.
 - This Bill provides statutory backing to the data collecting agency so as to increase the **credibility and legitimacy** of the data.
 - Data needs a statistical approach in order to be **globally acceptable**. And the NSC will fill up this gap by working at arm's length from government and providing internationally accepted credible data.

Global Interventions

- **International Monetary Fund (IMF)-** In the globalised world, risks faced by one country impact other parts of the globe as well. As seen after the **South-East Asian crisis** (1997), there were concerns regarding international surveillance of various risks related to fiscal and monetary policy.
 - Therefore, the **IMF** in 1998, took several steps to promote fiscal transparency, integrity of national accounts & financial statistics, etc.
 - It also established **data dissemination standards** to which India has subscribed and adhered. Indian agencies and IMF work together to frame such technical guidelines.
- Also, **India is a follower** of the **UN Statistical Commission led systems** since 1948.

Challenges

- **Politicisation of Data:** The **science of data collection**, i.e, the way data is collected and processed, is the same, but by giving the statutory backing to the NSC, the **art and politics of data** (that deals with socio-economic as well as political facts) is lost. People interpret the data in their own way of looking at it.

For example, even if the data on houselessness is collected and made available, the definition of houselessness would differ from person to person. For one person it could be rooflessness but for another, it could be inadequacy of space. Here, the science (process) of collecting the data is the same that is how many people are homeless, but the art and politics differ as people interpret the houselessness differently.
- **Legitimacy:** There are concerns related to **quality, correctness, misreporting/misinvoicing and verifiability of data**. For instance, questions related to credibility of **WPI** deflator in working out from nominal **GDP** to real GDP & growth, recent controversy over unemployment and consumption data withheld by government, validates such fears.
- **Against Autonomous Nature:** By giving the statutory backing to the body, there are apprehensions that it will lose its independence. However, this depends on the incumbent position holder to maintain the autonomous character of the body.

Way Forward

- **Technology:** The use of emerging technologies like, Big data analysis, artificial intelligence, etc. can help in robust collection of legitimate data so that the **data-driven governance** could be actually realized in day-to-day working.

Also, with the help of technology, data from various sources (public or private entities) could be easily collaborated and managed.
- There is a need for **passing the benefits** to real beneficiaries by identifying the legitimate ones. This can only be done if rationalized data is available. NSC being tasked with this job and playing the advisory role will have the freedom to expand the ambit of its current mandate and provide verifiable data.
- There is a need to **connect** data collection with a larger public interest and good governance in order to achieve the dream of **digitalized and formalized economy**.

Making the National Statistical Commission a statutory, reliable and trustworthy body is a timely taken welcome step.