

Chapter One

Introduction: Concepts, Definitions and Procedures

1.0 Introduction:

1.0.1 The National Sample Survey (NSS), set up by the Government of India in 1950 to collect socio-economic data employing scientific sampling methods will start its sixty-third round from 1st July 2006.

1.0.2 The sixty-third round of NSS is earmarked for collection of data on economic and operational characteristics of enterprises in service sector (excluding trade) and also on household consumer expenditure. The field operations of the survey will commence on 1st July 2006 and will continue up to 30th June 2007.

1.0.3 Last survey of service sector enterprises was conducted in the 57th round of NSS during July 2001 to June 2002.

The present survey is basically a repetition of the 57th round survey in terms of concepts and definitions. However, financial sector has been included in the coverage of this round.

1.1 Outline of Survey Programme

1.1.1 **Subject Coverage:** The 63rd round (July 2006 - June 2007) of NSS is earmarked for survey on service sector enterprises (excluding Trade). All service sector enterprises, which are not covered under the Annual Survey of Industries (ASI), will be under coverage of the survey. Government and public sector undertakings will not be under survey coverage. Usual annual surveys on consumer expenditure will also be carried out during this round.

The NIC codes (NIC-2004) and descriptions of the service enterprises under the coverage of the survey are given below.

NIC-2004		coverage of survey
code	activity	
55	HOTELS AND RESTAURANTS	<p>A hotel is an enterprise that provides lodging services with or without arrangements for meals, other prepared food and refreshments. Dharamshala type lodging places, private guest/rest houses, tourist lodges etc. which provide short-stay accommodation are to be covered under hotels <i>provided they are run by private individuals/organszations.</i></p> <p><i>However similar facilities if provided by Govt./PSU/Local body/Statutory bodies (e.g. ISI, IIT, Universities etc.) are excluded from the purview of the coverage of this survey.</i></p> <p>A restaurant generally provides eating and drinking services where prepared meals, food and refreshments and other snacks are sold for immediate consumption without any provision for lodging.</p> <p>Such enterprises are variously known as restaurants, cafes, cafeteria, snack</p>

		bars, lunch counters, refreshment stands, milk bar canteens, etc. Bars and other drinking places will also be treated as restaurants. Canteens located in offices, factories, etc. will be treated as restaurants if they are operated by private contractors. <i>But departmental canteens run by government will be excluded.</i>
602	OTHER LAND TRANSPORT	All types of passenger transport by land (excluding railway) and freight/goods transport by road will be covered.
61	WATER TRANSPORT	All kinds of water transport will be covered.
63	SUPPORTING AND AUXILLIARY TRANSPORT ACTIVITIES; ACTIVITIES OF TRAVEL AGENCIES	Activity of cargo handling, storage and warehousing, supporting services to land transport like operation of railway stations, bus stations, highway bridges, toll roads, vehicular tunnels; parking lots and left luggage facilities at the railway stations, bus stations, traffic control activities, supporting services to water transport such as operation and maintenance of piers, docks, pilotage, loading and unloading of vessels, supporting services to water transport such as operation and maintenance of piers, docks, pilotage, and loading and unloading of vessels, activity of travel agency and tour operators, activities of other transport agency, supporting services incidental to transport such as packing, freighting, travel agency etc. will be covered.
64	POST AND TELECOMMUNICATIONS	All enterprises providing communication services, not owned by government, Public Sector undertakings and local bodies will be covered. This will include courier services, ISD/STD/ PCO booths, voice mail services through computer networking, video/fax services, phone plus services, voiced and non-voiced leased circuits, telex/FAX/data services through computer network, radio paging, e-mail, video conferencing, internet, audio services and activity of cable operators etc.
659	OTHER FINANCIAL INTERMEDIATION. [This group includes financial intermediation other than that conducted by monetary institutions.]	Monetary intermediation for example banking etc. is excluded from coverage. Activities of hire - purchase financing, housing finance companies, commercial loan companies, other credit activities including pawn shops, other financial intermediation, Mutual Funds, Chit fund/Kuri companies, Investment Companies, Money lending from own source will be considered as an enterprise with separate NIC code (65925). Self-help groups and co-operative credit societies will also be given separate NIC codes 65994 and 65995 respectively.
66	INSURANCE AND PENSION FUNDING, EXCEPT COMPULSORY SOCIAL SECURITY	Life insurance [this class includes life insurance (including reinsurance) and other long-term insurance, with or without a substantial saving element, including the collection and investment of funds], pension funding [this class includes the provision of retirement incomes, including activities involving the collection and investment of funds (Funding and administration of compulsory social security programmes are classified in class 7530)], and non-life insurance will be covered.
67	ACTIVITIES AUXILIARY TO FINANCIAL INTERMEDIATION	Administration of financial markets, security dealing activities, activities auxiliary to financial intermediation, activities of financial advisers, mortgage advisers and brokers, foreign exchange services, activities auxiliary to insurance and pension funding, activities of insurance agents, average and loss adjusters, actuaries and salvage administrators etc will be covered.
70	REAL ESTATE ACTIVITIES	It include activities like: (i) purchase, sale, letting and operating of real estate i.e. residential/non-residential buildings, (ii) developing and subdividing real estate into lots, (iii) lessors of real property and (iv) real estate

		<p>agents, brokers and managers engaged in renting, buying and selling, managing and appraising real estate on a contract or fee basis. Renting of marriage halls, etc. will be considered as an enterprise.</p> <p>Operating of real estate of self owned residential buildings (NIC code 70103) will not be included.</p>
71	RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS	<p>Renting of transport equipment, other machinery and equipment [like agricultural machinery and equipment, construction and civil engineering machinery and equipment, office machinery and equipment (including computers)], personal and household goods (like tents, electrical appliances, furniture, video cassettes, CDs, audio cassettes and records etc., books, journals and magazines, musical instruments, bicycle, footwear etc.) will be covered.</p>
72	COMPUTER AND RELATED ACTIVITIES	<p>Hardware consultancy, software publishing; software consultancy, supply and maintenance; data processing, maintenance and repair of office, accounting and computing machinery, other computer related activities [for example maintenance of websites of other firms/ creation of multimedia presentations for other firms etc.] will be covered.</p>
73	RESEARCH AND DEVELOPMENT	<p>Research and experimental development on natural sciences and engineering, social sciences and humanities will be covered</p>
74	OTHER BUSINESS ACTIVITIES	<p>Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy, architectural, engineering and other technical activities, advertising, labour recruitment and provision of personnel, investigation and security activities, building-cleaning and industrial cleaning activities, photographic activities, packaging activities, photostat, blue-printing, xeroxing, copying of documents, ammonia printing, fashion design related to textiles, wearing apparel, shoes, jewelry, furniture, Interior decoration, secretarial activities such as telephone answering, stenographic, duplicating & mailing etc. will be covered</p>
80	EDUCATION	<p>All Govt. or Govt.- aided educational institutions will be outside the survey coverage. Educational institutions where salaries of the teachers/ staffs are funded fully by the Government will be considered as Govt. aided educational institution.</p> <p>All private educational institutions will be covered whether or not recognised. This will include management training institutes, computer training centres, nursing schools, schools of music, drama, dance, fine arts, modelling, fashion designing, yoga and physical education and general coaching centres (e.g. for various competitive examinations) etc. are to be covered. This will also include adult education centers.</p>
85	HEALTH AND SOCIAL WORK	<p>All enterprises engaged in health and medical services other than those owned by government, public sector undertakings, local bodies will be covered, irrespective of the system of medicine.</p> <p>Hospital activities including those of general and specialized hospitals, sanatoria, asylums, rehabilitation centres, dental centres, nursing homes and other health institutions having accommodation facilities, nurses, physiotherapist etc., independent diagnostic/pathological laboratories, independent blood banks, ambulance services etc. will be covered.</p> <p>All private dispensaries, clinics and consultation chambers run by doctors will be covered. An employed doctor and para-medical person (such as</p>

		midwife, dai etc.) doing private practice will be covered and his/her private practice alone will be considered as an enterprise. The survey will also cover activities of veterinary activities including bird hospitals under NIC code 852. Social work with accommodation such as activities of orphanages, children boarding homes and hostels, residential nurseries, homes for aged, physically or mentally handicapped persons will be covered under NIC code 8531. Social work without accommodation involving variety of social counseling, welfare, refugee, referral and similar services to individuals and families in their homes or elsewhere (e.g. day care centres for children, handicapped etc.) will be covered under NIC code 8532
90	SEWAGE AND REFUSE DISPOSAL, SANITATION AND SIMILAR ACTIVITIES	Garbage collection, transportation and disposal, removal of human wastes and their treatment and disposal, including maintenance of sewers and drains, outdoor sweeping and watering of streets etc. will be covered.
9191	ACTIVITIES OF RELIGIOUS ORGANISATIONS	Individuals who provide services directly to worshippers will only be covered.
9199	ACTIVITIES OF OTHER MEMBERSHIP ORGANISATIONS N.E.C.	Includes rotary clubs, student associations, war veterans' associations, book clubs, philatelic clubs, associations of minority groups, and the activities of other similar associations / organisations.
92	RECREATIONAL, CULTURAL AND SPORTING ACTIVITIES	Motion picture, radio, television and other entertainment activities; news agency activities; library, archives, museums and other cultural activities; sporting and other recreational activities will be covered.
93	OTHER SERVICE ACTIVITIES	Persons providing services to the households, for example cooks, tutors, etc., by visiting the houses of the employer (service consuming households) will not be considered as self-employed. However, if some persons provide legal, accounting or similar services to different enterprises on a fee basis, they will be treated as running own account enterprise.

It may be noted that if any service sector enterprise under coverage is run by religious/political/other membership organizations with at least one worker hired for the services it provides then that enterprise will be covered under respective NIC code of that activity.

1.1.2 Geographical coverage: The survey will cover the whole of the Indian Union *except* (i) Leh (Ladakh) and Kargil districts of Jammu & Kashmir, (ii) interior villages of Nagaland situated beyond five kilometres of the bus route and (iii) villages in Andaman and Nicobar Islands which remain inaccessible throughout the year.

1.1.3 Period of survey and work programme: The period of survey will be of one year duration starting on 1st July 2006 and ending on 30th June 2007. The survey period of this round will be divided into four sub-rounds of three months duration each as follows:

sub-round 1 : July - September 2006

sub-round 2 : October - December 2006

sub-round 3 : January - March 2007

sub-round 4 : April - June 2007

In each of these four sub-rounds, equal number of sample villages/ blocks (FSUs) will be allotted for survey with a view to ensuring uniform spread of sample FSUs over the entire survey period. Attempt should be made to survey each of the FSUs during the sub-round to which it has been allotted. *Because of the arduous field conditions, this restriction need not be strictly enforced in Andaman and Nicobar Islands, Lakshadweep, rural areas of Arunachal Pradesh and Nagaland.*

1.1.4 Schedules of enquiry: During this round, the following schedules of enquiry will be canvassed:

- Schedule 0.0 : list of households and non-agricultural enterprises
- Schedule 2.345 : service sector enterprises (excluding trade)
- Schedule 1.0 : consumer expenditure

1.1.5 Participation of States: In this round all the States and Union Territories except Andaman & Nicobar Islands, Dadra & Nagar Haveli and Lakshadweep are participating at least on an equal matching basis. The following is the matching pattern of the participating States/ UTs.

- Nagaland (U) : triple
- J & K, Manipur & Delhi : double
- Goa, Maharashtra (U) : one and half
- Remaining States/ UTs : equal

1.2 Contents of Volume I

1.2.0 The present volume contains four chapters. Chapter one, besides giving an overview of the whole survey operation, discusses the concepts and definitions of certain important technical terms to be used in the survey. It also describes in detail the sampling design and the procedure of selection of service sector enterprises and households adopted for this round. Instructions for filling in Schedule 0.0, Schedule 2.345 and Schedule 1.0 are given in Chapters Two to Four respectively.

1.3 Sample Design

1.3.1 Outline of sample design: Two frames will be used for the 63rd round survey viz. List frame and Area frame.

1.3.2 List frame: A list of about 1000 service sector companies distributed all over India will be used as list frame. The list of financial sector enterprises has been supplied by RBI. For the other service sector enterprises the list has been supplied by the Ministry of Company Affairs.

For all the companies in the list frame, information will be collected considering all the branch offices. A combined schedule 2.345 is to be filled up for the list frame companies covering all the branches.

All these companies in the list frame will be surveyed. However, these companies and their branch offices will be excluded from the coverage of the area frame survey to avoid duplication.

There is no sub-round restriction for the list frame units.

All the enterprises in the list frame are common to both central and state samples.

The list frame units will be surveyed by the central agency only. Validated data regarding list frame units will be supplied by DPD to the respective State agencies.

1.3.3 Area frame:

A stratified multi-stage design has been adopted for the 63rd round survey. The first stage units (FSU) will be the 2001 census villages (Panchayat wards in case of Kerala) in the rural sector and Urban Frame Survey (UFS) blocks in the urban sector. In addition, for the newly declared towns and out growths (OGs) in census 2001 for which UFS has not yet been done, a separate list has been prepared and these list will be used as a frame for such towns and OGs in urban sector. For these towns and OGs the whole town/ OG will be considered as FSU. The ultimate stage units (USU) will be households/ service sector enterprises, in both the sectors. In the case of large villages/ towns/ blocks requiring hamlet-group (hg)/ sub-block (sb) formation, one intermediate stage will be the selection of hgs/ sbs from each FSU.

The list of villages as per census 2001 will be used as frame for the rural sector.

In the urban sector, three kinds of frames will be used:

- (a) For the 27 towns with population 10 lakhs or more (as per Census 2001), EC-98 will be used as frame.
- (b) For other UFS towns, the latest available list of UFS blocks will be used as frame.
- (c) For non-UFS towns list of such towns/ OGs will be used as frame.

1.3.4 **Stratification:** Within each district of a State/ UT, two basic strata will be formed:

i) rural stratum comprising of all rural areas of the district and (ii) urban stratum comprising of all the urban areas of the district. However, if there are one or more towns with population 10 lakhs or more as per population census 2001 in a district, each of them will also form a separate basic stratum and the remaining urban areas of the district will be considered as another basic stratum. There are 27 towns with population 10 lakhs or more at all-India level as per census 2001.

1.3.5 Sub-stratification for area frame:

1.3.5.1 **Rural sector:** If 'r' be the sample size allocated for a rural stratum, the number of sub-strata formed will be 'r/2'. The villages within a district as per frame will be first arranged in ascending order of population. Then sub-strata 1 to 'r/2' will be demarcated in such a way

that each sub-stratum will comprise a group of villages of the arranged frame and have more or less equal population.

1.3.5.2 Urban sector:

(a) For the 27 cities where EC-98 frame will be used: A number of sub-strata may be formed within each stratum based on EC-98 information as under:

sub-stratum 1: all FSUs having at least one establishment (i.e. enterprise with at least one hired worker) of Financial sector (NIC 2004 codes: 659, 66, 67) under coverage of survey.

sub-stratum 2: all FSUs, excluding those in the already formed sub-stratum 1, having at least one establishment under coverage of survey belonging to any of the NIC 2004 codes: 72, 73, 92.

sub-stratum 3: all FSUs, excluding those in the already formed sub-strata, having at least one establishment of under coverage of survey belonging to any of the NIC 2004 codes: 61, 6302, 70, 71, 90, 9191, 9199.

sub-stratum 4: all FSUs, excluding those in the already formed sub-strata, having at least one establishment of under coverage of survey belonging to any of the NIC 2004 codes: 602, 6301, 6303, 6304, 6309, 85.

sub-stratum 5: all FSUs, excluding those in the already formed sub-strata, having at least one establishment in any one of the Section H, I, J, K, M, N, O of NIC 2004 under coverage of survey.

sub-stratum 6: all FSUs, excluding those in the already formed sub-strata, having at least one own account enterprise (OAE) i.e. enterprise with no hired worker in any one of the Section H, I, J, K, M, N, O of NIC 2004 under coverage of survey.

sub-stratum 7: rest of FSUs of the stratum.

(b) For other cities and towns of urban stratum of a district: Three sub-strata will be formed as follows:

sub-stratum 1: all UFS blocks (i.e. UFS blocks as per the latest UFS) identified as Industrial Area (IA) or Bazar Area (BA) or Hospital Area (HA) or Slum Area (SA).

sub-stratum 2: remaining UFS blocks.

sub-stratum 3: non-UFS towns/ OGs of Census 2001

1.3.6 Total sample size: 14000 FSUs for area frame and about 1000 service sector companies for list frame have been allocated at all-India level for central sample on the basis of investigator strength. For state sample 15472 FSUs have been allocated for area frame.

1.3.7 Allocation of total samples to States and UTs: The total (all-India) sample FSUs have been allocated to the States and UTs in proportion to number of workers in service sector enterprises as per EC '98 engaged in the activities under coverage of the survey subject to the availability of investigators ensuring more or less uniform work-load. (Hereafter, "**workers**" will mean **workers in service sector enterprises as per EC '98 engaged in the activities under coverage of this round**).

1.3.8 Allocation of State/ UT level sample to Rural and Urban sectors: State/UT level sample size have been allocated to rural and urban sectors in proportion to the total number of workers.

1.3.9 Allocation to strata: Within each sector of a State/UT, the respective sample size has been allocated to the different strata in proportion to the stratum population as per census 2001.

1.3.10 Allocation to sub-strata:

1.3.10.1 *Rural sector:* Allocation to each sub-stratum will be 2.

1.3.10.2 *Urban sector:*

For 27 million plus cities in the urban sector, stratum allocations will be distributed over the sub-strata in proportion to the number of *workers*.

For other urban strata, maximum of 2 FSUs will be allocated to sub-stratum 3. Rest of the stratum allocation will be divided among the sub-strata 1 & 2 in proportion to number of FSUs in the sub-strata with double weightage to sub-stratum 1. Minimum sub-stratum allocation will be 2.

1.3.11 Selection of FSUs: Samples will be drawn in the form of two independent sub-samples in each stratum \times sub-stratum.

(a) **Rural sector:** FSUs will be selected by PPSWR with size as 'other workers' (i.e. total workers – household industry workers – agricultural labourers – cultivators) as per census 2001.

Urban sector:

(b) For 27 million plus cities: FSUs will be selected by PPSWR with the number of workers as size.

(c) For other cities/towns: FSUs will be selected by SRSWOR.

1.3.12 Selection of hamlet-groups/ sub-blocks/ households/ enterprises - important steps

1.3.12.1 Proper identification of the FSU boundaries: The first task of the field investigators is to ascertain the exact boundaries of the sample FSU as per its identification particulars given in the sample list. For urban samples with UFS blocks, the boundaries of each

Urban Frame Survey (UFS) block may be identified by referring to the map corresponding to the frame code specified in the sample list (even though map of the block for a latter period of the UFS might be available). However for newly declared towns and out growths (OGs) in census 2001 for which UFS has not yet been done the boundaries of the whole town is to be considered.

1.3.12.2 Formation of segment 9: Having determined the boundaries of the sample FSU, all non-agricultural enterprises having 50 or more workers in the entire FSU and having operated at least one day during last 365 days preceding the day of survey (hereinafter to be called as big enterprises for brevity) will be listed and all the eligible units under coverage will be surveyed. All the listed big units (whether under coverage or not) will constitute segment 9. All eligible enterprises under coverage will be surveyed in segment 9.

1.3.12.3 Criterion for hamlet-group/ sub-block formation: Having constituted segment 9 as stated above, it is to be determined whether listing will be done in the whole sample FSU or not. For this, approximate present population (P) and approximate total number of non-agricultural enterprises (E) for the whole FSU may be ascertained first from knowledgeable persons. Depending upon the values of 'P' and 'E', it will be divided into a suitable number (say, D) of 'hamlet-groups' in the rural sector and 'sub-blocks' in the urban sector as stated below.

population (P)	no. of hgs/ sbs to be formed	no. of non-agricultural enterprises (E)	no. of hgs/ sbs to be formed
less than 1200	1	less than 120	1
1200 - 1599	4	120 - 159	4
1600 - 1999	5	160 - 199	5
2000 - 2399	6	200 - 239	6
and so on	...	and so on	...

However, while considering enterprise criteria, segment 9 enterprises, if any, may be excluded i.e. the value of 'E' above may be adjusted in respect of the number of enterprises in segment 9. For rural areas of Himachal Pradesh, Sikkim and Poonch, Rajouri, Udhampur, Doda districts of Jammu and Kashmir and Idukki district of Kerala, the number of hamlet-groups will be formed as follows.

approximate present population of the sample village	no. of hgs to be formed
less than 600 (no hamlet-groups)	1
600 to 799	4
800 to 999	5
1000 to 1199	6
.....and so on	

For enterprise criterion, procedure will not be changed for the above areas.

The higher of the two values as per population and enterprise criteria will be accepted as the number of hgs/ sbs to be actually formed.

1.3.12.4 Formation of hamlet-groups/ sub-blocks: In case hamlet-groups/ sub-blocks are to be formed in the sample FSU, the same should be done by more or less equalizing population (details are in Chapter Two). However, it is to be ensured that the hamlet-groups/ sub-blocks formed are clearly identifiable in terms of physical landmarks.

1.3.12.5 Formation of segments 1 and 2: After formation of hg / sb in the large FSUs, three hg's/ sb's will be selected for listing in the following manner - with maximum number of service sector enterprise under survey coverage, failing which, with maximum number of non-agricultural enterprises, failing which, with maximum percentage share of population will always be selected and termed as **Segment 1**; two more hgs/ sbs will be selected with SRSWOR and combined to constitute **Segment 2**.

1.3.12.6 Listing of households/ enterprises and formation of their frame: Having determined the area(s) to be considered for listing, the next step is to list all the households and non-agricultural enterprises (NAEs) [including those found to be temporarily locked after ascertaining temporariness of locking of households/ NAEs through local enquiry]. Although all non-agricultural enterprises are to be listed, only the service sector enterprises as given in para 1.1.1 will be covered. Thus, Govt. service sector enterprises / PSUs/ enterprises under the coverage of ASI frame (2004 – 05) will not be considered for survey. Further, those service sector enterprises which operated for at least 30 days (15 days for seasonal enterprises) during the reference year (i.e. last 365 days preceding the date of survey) will qualify for survey. Such enterprises will hereafter be referred to as '**eligible enterprises**'.

Listing and selection of enterprises/ households will be done separately for segment 1 and segment 2. For segment 2, hg/sb with order of selection number 1 will be listed first and that with order of selection number 2 will be listed next but selection of enterprises/ households will be made from the combined list.

1.4 Formation of Second Stage Strata and allocation of households for schedule 1.0:

For rural sector in each selected village/ segments, three second stage strata (SSS) namely SSS 1, SSS 2 & SSS 3 will be formed. Households with any member who worked for at least one day in any public works scheme of Govt. during last 365 days will constitute SSS 1. Out of the remaining households SSS 2 and SSS 3 will be formed on the basis of land possessed by household.

A cut-off point 'X' (in hectares) is determined at State/UT level from NSS 59th round data in such a way that top 20% of the rural households possessed land equal to or more than X. Out of the remaining (other than SSS 1) households all the listed households possessing land less than X will be in SSS 2 and the rest of the households will be in SSS 3.

For urban sector in each selected block/ segments, two second stage strata (SSS) namely SSS 2 & SSS 3 (there is no SSS 1 for urban sector) will be formed on the basis of household MPCE.

In the urban sector, a cut-off point 'A' (in Rs.) is determined at NSS state-region level from NSS 61st round data in such a way that top 20% of the households had MPCE equal to or more than 'A'. All the listed households with MPCE less than 'A' will be in SSS 2 while the rest of the households will be in SSS 3.

The values of X for each State/ UT and values of A for each NSS region have been given in Table 1 & 2 in Chapter two.

The number of households to be surveyed for schedules 1.0 is 6 in a rural FSU and 4 households in an urban FSU. Composition of SSS with number of households to be surveyed for schedule 1.0 will be as follows:

SSS	composition of SSS	number of households to be surveyed for schedule 1.0	
		without hg/ sb formation	with hg/ sb formation (for each segment)
rural			
SSS 1:	households with at least one member who worked for at least one day in any public works scheme during last 365 days.	2	1
SSS 2:	Of the remaining hhs.; households with land possessed < X	2	1
SSS3	other households	2	1
urban			
SSS 2:	households with MPCE < A	2	1
SSS 3:	other households	2	1

1.5 Selection of households for Schedules 1.0 : From each SSS the sample households for schedule 1.0 will be selected by SRSWOR.

1.6 Formation of Second Stage Strata and allocation of enterprises for schedule 2.345:

In each of the segments 1, 2 and 9 of the sample FSU, eligible enterprises under coverage will be divided into 8 (eight) second stage strata (SSS) as follows:

(i) establishments:

- SSS 1 – financial intermediation excluding monetary intermediation but including money lending, self help group (SHG), co-operative credit society (659), insurance and pension funding, except compulsory social security (66), activities auxiliary to financial intermediation (67);
- SSS 2 – storage and warehousing (6302), computer and related activities (72), research and development (73);
- SSS 3 – water transport (61), sewage and refuse disposal, sanitation (90), membership organizations (91);
- SSS 4 – hotels etc. (551), supporting and auxiliary transport activities, activities of travel agencies excluding storage and warehousing (6301, 6303, 6304, 6309), post and courier activities (641), real estate (701), architectural, engineering etc. (742), advertising (743), human health (851), motion pictures, radio, TV and other entertainment (921);
- SSS 5 – rest of the establishments;

(ii) OAEs:

- SSS 6 – financial intermediation excluding monetary intermediation but including money lending, self help group (SHG), co-operative credit society (659);
- SSS 7 – real state (70), computer and related activities (72), research and development (73), other business activities (74);
- SSS 8 – rest of the OAEs.

The number of enterprises to be surveyed for schedules 2.345 in each FSU will be as follows (excluding big enterprises in segment 9).

SSS no.	number of enterprises to be surveyed for schedule 2.345	
	without hg/ sb formation	with hg/ sb formation (for each segment)
1	2	1
2	2	1
3	2	1
4	4	2
5	4	2
6	2	1
7	4	2
8	4	2
total	24	12

From each SSS the sample enterprises for schedule 2.345 will be selected by SRSWOR.

1.7 Shortfall of enterprise to be compensated: For schedule 2.345, shortfall of enterprises in the frame of any particular SSS will be compensated from the same SSS of the other segment failing which from the other SSS of the same or other segment where additional enterprise(s) are available. The procedure is as follows:

step 1: Allocate the required number of enterprises to each SSS wherever possible and identify the SSS having shortfall.

step 2: In case of hg/ sb formation, compensate from the same SSS of the other segment if available for all the SSS having shortfall. If the shortfall still remains identify the SSS having shortfall and go to Step 3.

step 3: Find the SSS where additional enterprises are available following the priority order of SSS 1, SSS 2, SSS 3, SSS 4, SSS 5, SSS 6, SSS 7 & SSS 8 and compensate.

The table given below will be useful for deciding the SSS from which the compensation is to be made.

SSS having shortfall (Schedule 2.345)	priority order of SSS for compensation
1	2, 3, 4, 5, 6, 7, 8
2	1, 3, 4, 5, 6, 7, 8
3	1, 2, 4, 5, 6, 7, 8
4	1, 2, 3, 5, 6, 7, 8
5	1, 2, 3, 4, 6, 7, 8
6	1, 2, 3, 4, 5, 7, 8
7	1, 2, 3, 4, 5, 6, 8
8	1, 2, 3, 4, 5, 6, 7

If there is hg/ sb formation, for each SSS as per priority order, compensation may be made from the segment where shortfall occurs, failing which from other segment and so on.

For example, if shortfall is in SSS 3 of segment 1, details of step 2 & step 3 are given below.

step 2: try to compensate the shortfall of SSS 3 of segment 1 from SSS 3 of segment 2

If the shortfall still remains in SSS 3 of segment 1,

step 3: try to compensate from SSS 1 of segment 1, failing which try from SSS 1 of segment 2. If the shortfall still remains then try from SSS 2 of segment 1, failing which try from SSS 2 of segment 2 and so on.

The resulting number of enterprises (e) for each SSS will be entered at the top of relevant column(s) of block 5b and also in col.(6) against the relevant SSS × segment of block 6 of schedule 0.0.

Some illustrations on compensation of shortfall are given after paragraph 1.8

1.8 Shortfall of households to be compensated: For schedule 1.0, shortfall of households in the frame of any particular SSS will be compensated from the same SSS of the other segment or from the other SSS of the same or other segment where additional household(s) are available. The procedure is as follows:

step 1: Allocate the required number of households to each SSS wherever possible and identify the SSS having shortfall.

step 2: In case of hg/ sb formation, compensate from the same SSS of the other segment if available for all the SSS having shortfall. If the shortfall still remains identify the SSS having shortfall and go to Step 3.

step 3: Find the SSS where additional households are available following the priority order of SSS 1, SSS 2, & SSS 3 and compensate.

The table given below will be useful for deciding the SSS from which the compensation is to be made.

for rural:

SSS having shortfall (Schedule 1.0)	priority order of SSS for compensation
1	2, 3
2	1, 3
3	1, 2

If there is hg/ sb formation, for each SSS as per priority order, compensation may be made from the segment where shortfall occurs, failing which from other segment and so on.

For example, if shortfall is in SSS 1 of segment 2 exists details of step 2 & step 3 are given below.

step 2:

Try to compensate the shortfall of SSS 1 of segment 2 from SSS 1 of segment 1

If the shortfall still remains in SSS 1 of segment 2

step 3: try to compensate from SSS 2 of segment 2, failing which try from SSS 2 of segment 1. If the shortfall still remains then try from SSS 3 of segment 2, failing which try from SSS 3 of segment 1.

For **urban** the procedure will be same except that choice will be limited to SSS 2 and SSS 3 only.

The resulting number of households (h) for each SSS will be entered at the top of relevant column(s) of block 5a and also in col.(6) against the relevant SSS × segment of block 7 of sch. 0.0.

Some illustrations on compensation of shortfall are given below:

Example for Schedule 2.345

FSU without hg/ sb formation

Example 1					
SSS	no. of enterprises to be surveyed	E	Step 1	Step 3	e
1	2	2	2		2
2	2	2	2		2
3	2	0	0*		0
4	4	4	4		4
5	4	6	4	2	6
6	2	1	1*		1
7	4	4	4		4
8	4	8	4	1	5
total	24	27	21	3	24
shortfall	–	–	3	0	×

FSU with hg/ sb formation

Example 2							
segment no.	SSS	no. of enterprises to be surveyed	E	Step 1	Step 2	Step 3	e
1	1	1	1	1			1
	2	1	2	1	1		2
	3	1	1	1			1
	4	2	1	1*			1
	5	2	0	0*			0
	6	1	0	0*			0
	7	2	0	0*			0
	8	2	8	2		2+2	6
	total	12	13	6	1	4	11
2	1	1	1	1			1
	2	1	0	0*			0
	3	1	1	1			1
	4	2	3	2	1		3
	5	2	0	0*			0
	6	1	2	1	1		2
	7	2	0	0*			0
	8	2	10	2		2+2	6
	total	12	17	7	2	4	13
total			30	13	3	8	24
shortfall			–	11	8	0	-

Example for Schedule 1.0:

FSU with hg formation (rural sample)

Example 4

segment no.	SSS	H	Step 1	Step 2	Step 3	h
1	1	0	0*	*		0
	2	2	1	1		2
	3	120	1		1	2
	total	122	2	1	1	4
2	1	0	0*	*		0
	2	0	0*			0
	3	130	1		1	2
	total	130	1		1	2
total		252	3	1	2	6
shortfall		-	3	2	0	-

FSU with sb formation (urban sample)

Example 4

segment no.	SSS	H	Step 1	Step 2	h
1	-	-	-	-	-
	2	2	1	1	2
	3	120	1		1
	total	122	2	1	3
2	-	-	-	-	-
	2	0	0*		
	3	130	1		1
	total	130	1		1
total		252	3	1	4
shortfall		-	1	0	-

* indicates the SSS having shortfall

1.9 Concepts and Definitions:

1.9.0 Important concepts and definitions used in different schedules of this survey are explained below.

1.9.1 **House:** Every structure, tent, shelter, etc. is a house irrespective of its use. It may be used for residential or non-residential purpose or both or even may be vacant.

1.9.2 **Household:** A group of persons normally living together and taking food from a common kitchen will constitute a household. The members of a household may or may not be related by blood or marriage to one another. The following cases are to be noted while determining the group of persons to be considered as households for the current survey:

(i) Each inmate (including residential staff) of a hostel, mess, hotel, boarding and lodging house, etc., will constitute a single member household. If, however, a group of persons among them normally pool their income for spending, they together will be treated as forming a single household. For example, a family living in a hotel will be treated as a separate single household by itself.

(ii) Under-trial prisoners in jails and indoor patients of hospitals, nursing homes etc., are to be excluded, but residential staff therein will be listed while listing is done in such institutions. The persons of the first category will be considered as normal members of their parent households and will be counted there. Convicted prisoners undergoing sentence will be outside the coverage of the survey.

(iii) Floating population, i.e., persons without any normal residence will not be listed. But households residing in open space, roadside shelter, under a bridge etc. more or less regularly in the same place will be listed.

(iv) Foreign nationals will not be listed, nor their domestic servants, if by definition the latter belong to the foreign national's household. If, however, a foreign national becomes an Indian citizen for all practical purposes, he/ she will be covered.

(v) Persons residing in barracks of military and paramilitary forces (like police, BSF etc.) will be kept outside the survey coverage for difficulty in conduct of survey therein. However, civilian population residing in their neighbourhood, including the family quarters of service personnel are to be covered, for which, of course, permission may have to be obtained from appropriate authorities.

(vi) Orphanages, rescue homes, ashrams and vagrant houses are outside the survey coverage. However, the persons staying in old age homes, the students staying in ashram/ hostels and the residential staff (other than monks/ nuns) of these ashrams may be listed. For orphanages, although orphans are not to be listed, the persons looking after them and staying there may be considered for listing.

1.9.3 Household size: The number of normally resident members of a household is its size. It will include temporary stay-aways (those whose total period of absence from the household is expected to be less than 6 months) but exclude temporary visitors and guests (expected total period of stay less than 6 months). Even though the determination of the actual composition of a household will be left to the judgment of the head of the household, the following procedures will be adopted as guidelines:

(i) In deciding the composition of a household, more emphasis is to be placed on 'normally living together' than on 'ordinarily taking food from a common kitchen'. In case the place of residence of a person is different from the place of boarding, he or she will be treated as a member of the household with whom he or she resides.

(ii) A resident employee, or domestic servant, or a paying guest (but not just a tenant in the household) will be considered as a member of the household with whom he or she resides even though he or she is not a member of the same family.

(iii) When a person sleeps in one place (say, in a shop or in a room in another house because of space shortage) but usually takes food with his or her family, he or she should be treated not as a single member household but as a member of the household in which other members of his or her family stay.

(iv) If a member of a household (say, a son or a daughter of the head of the household) stays elsewhere (say, in hostel for studies or for any other reason), he/ she will not be considered as a member of his/ her parent's household. However, he/ she will be listed as a single member household if the hostel is listed.

1.9.4 Pucca structure: A pucca structure is one whose walls and roofs are made of pucca materials such as cement, concrete, oven burnt bricks, hollow cement/ ash bricks, stone, stone blocks, jack boards (cement plastered reeds), iron, zinc or other metal sheets, timber, tiles, slate, corrugated iron, asbestos cement sheet, veneer, plywood, artificial wood of synthetic material and poly vinyl chloride (PVC) material.

1.9.5 Katcha structure: A structure which has walls and roof made of non-pucca materials is regarded as a katcha structure. Non-pucca materials include unburnt bricks, bamboo, mud, grass, leaves, reeds, thatch, etc. Katcha structures can be of the following two types:

(a) **Unserviceable katcha structure** includes all structures with thatch walls and thatch roof i.e. walls made of grass, leaves, reeds, etc. and roof of a similar material and

(b) **Serviceable katcha structure** includes all katcha structures other than unserviceable katcha structures.

1.9.6 Semi-pucca structure: A structure which cannot be classified as a pucca or a katcha structure as per definition is a semi-pucca structure. Such a structure will have either the walls or the roof but not both, made of pucca materials.

1.9.7 Dwelling unit: It is the accommodation availed of by a household for its residential purpose. It may be an entire structure or a part thereof or consisting of more than one structure. There may be cases of more than one household occupying a single structure such as those living in independent flats or sharing a single housing unit, in which case, there will be as many dwelling units as the number of households sharing the structure. There may also be cases of one household occupying more than one structure (i.e. detached structures for sitting, sleeping, cooking, bathing etc) for its housing accommodation. In this case, all the structures together constitute a single dwelling unit. In general, a dwelling unit consists of living room, kitchen, store, bath, latrine, garage, open and closed veranda etc. A structure or a portion thereof used exclusively for non-residential purposes or let out to other households does not form part of the dwelling unit of the household under consideration. However, a portion of a structure used for both residential and non-residential purposes is treated as part of the dwelling unit except when the use of such portion for residential purpose is very nominal. The dwelling unit covers all pucca, semi-pucca and katcha structures used by a household. Households living more or less regularly under bridges, in pipes, under staircase, in purely temporary flimsy improvisations built by the road side (which are liable to be removed at any moment) etc., are considered to have no dwelling.

1.9.8 Independent house: An independent house is one which has a separate structure and entrance with self-contained arrangements. In other words, if the dwelling unit and the entire structure of the house are physically the same, it should be considered as an independent house. In some parts, particularly in rural areas, two or more structures together may constitute a single housing unit. While the main residence may be in one of the structures, the other structures may be used for sleeping, sitting and for store, bath etc. In all such cases, all the structures together will form a single housing unit and will be treated as an independent house.

1.9.9 Flat: A flat, generally, is a part of the building and has one or more rooms with self-contained arrangements and normal housing facilities like water supply, latrine, toilet, etc., which are used exclusively by the household residing therein or jointly with other households. It also includes detached room or rooms with or without other housing facilities.

1.9.10 Land possessed: The area of land possessed will include land 'owned', 'leased in' and 'land neither owned nor leased in' (i.e. encroached) by the household but exclude land 'leased out'. The total land area possessed by the household as on the date of survey is taken into account. A piece of land is considered to be owned by the household if permanent heritable possession with or without the right to transfer the title vests in a member or members of the household. Land held in owner-like possession say, under perpetual lease, hereditary tenure, long-term lease for 30 years or more, etc., will also be considered as land owned. For a piece of land under the possession of the household, if the household lacks title of ownership and also does not have lease agreement for the use of land transacted, either verbally or in writing, such land will be considered as 'neither owned nor leased in'. In collecting information regarding land possessed, the actual position as obtained on the date of survey will be considered. It may be noted that the 'area of land possessed' to be recorded should not include the area of land owned, leased-in, etc. by the servants/ paying guests who are considered as normal members of the household.

1.9.11 Household monthly per capita expenditure: Household consumer expenditure is measured as the expenditure incurred by a household on domestic account during a specified period, called reference period. It also includes the imputed values of goods and services, which are not purchased but procured otherwise for consumption. In other words, it is the sum total of monetary values of all the items (i.e. goods and services) consumed by the household on domestic account during the reference period. The imputed rent of owner-occupied houses is excluded from consumption expenditure. Any expenditure incurred towards the productive enterprises of the households is also excluded from the household consumer expenditure. Monthly per capita expenditure (MPCE) is the household consumer expenditure over a period of 30 days divided by household size. A person's MPCE is understood as that of the household to which he/ she belongs.

1.9.12 Meal: A 'meal' is composed of one or more readily eatable (generally cooked) items of food, the usually major constituent of which is cereals. The meals consumed by a person twice or thrice a day provide him/ her the required energy (calorie) and other nutrients for living and for pursuing his/ her normal avocations. A 'meal', as opposed to 'snacks', 'nashta' or 'high tea', contains larger quantum and variety of food. In rare cases, a full meal may contain larger quantity of non-cereal food. Even then, if the quantum of food in a plate is heavy as a meal, the contents of the food plate will also be considered as a 'meal'. Sometimes

the contents of a 'nashta' may not be very different from the contents of a 'meal'. The difference in quantity will therefore be the guiding factor for deciding whether the plate is to be labelled as a 'meal' or a 'nashta'.

A person rendering domestic service (like cleaning utensils, dusting and cleaning of rooms, washing linen, carrying water from outside, etc.) to a number of households during the daytime gets some food from each of the households he/ she serves. Although the quantum of food received from a single household may, by quantity, be far less than a full meal, the total quantity of food received from all the households taken together would often, if not more, be at least equivalent to a full meal. In this particular situation, the person will be considered to be consuming one meal every day under 'meal taken away from home'.

Subject to the guidelines given in the two preceding paragraphs, for the purpose of data collection on 'number of meals consumed' one has to depend on the judgement of the informant because, the informant would reckon the number on the basis of his/ her own understanding of the concept of a meal/ khana.

1.9.13 P.D.S.: This stands for Public Distribution System, which means the distribution of some essential commodities by the government at subsidised rates through ration shops, fair price shops and control shops. These shops may be owned by the government, local government, a government undertaking, the proprietor of a firm, co-operatives or private persons (individually or jointly) or other bodies like club, trust, etc. The following points may be noted while classifying a *purchase* as "PDS" or otherwise.

- "Super Bazaars" and co-operative stores will not generally be included under public distribution system. However, when these also sell rationed commodities at controlled prices against ration cards, they will be taken as ration shops for particular commodities.
- For kerosene, "PDS" will also include kerosene depots selling kerosene at controlled prices.
- Distribution of some controlled price commodities such as kerosene may in some areas be made without a system of presentation of ration card. Except in such situations, a purchase which is not made against a ration card will not qualify as a PDS purchase.
- A purchase will be considered as "PDS" irrespective of whether the household uses its own ration card or that of some other household.
- Purchase from PDS shops at prices higher than the PDS prices will also be considered as purchase from PDS as long as the price paid is perceptibly lower than the market price. (This is a departure from the practice followed in earlier rounds.)

1.9.14 Economic activity: The entire spectrum of human activity falls into two categories: economic activity and non-economic activity. Any activity that results in production of goods and services that adds value to national product is considered as an economic activity. The economic activities have two parts - market activities and non-market activities. Market activities are those that involve remuneration to those who perform it, i.e., activity performed for pay or profit. Such activities include production of all goods and services for market including those of government services, etc. Non-market activities are those involving the

production of primary commodities for own consumption and own account production of fixed assets.

Production of any good for own consumption is considered as economic activity by UN System of National Accounts but production of only primary goods is considered as economic activity by NSSO. While the former includes activities like own account processing of primary products among other things, in the NSS surveys, processing of primary products for own consumption is not considered as economic activity. However, it may be noted that 'production of agricultural goods for own consumption' covers all activities up to and including stages of thrashing and storing of produce, for own consumption, comes under the coverage of the economic activities of NSSO.

The term 'economic activity' will thus include:

(i) all the market activities described above, i.e., the activities performed for pay or profit which result in production of goods and services for exchange,

(ii) of the non-market activities,

(a) all the activities relating to the primary sector (i.e. **industry Divisions 01 to 14 of NIC-2004**) which result in production (including free collection of uncultivated crops, forestry, firewood, hunting, fishing, mining, quarrying, etc.) of primary goods, including thrashing and storing of grains for own consumption.

and

(b) the activities relating to the own-account production of fixed assets. Own account production of fixed assets includes construction of own houses, roads, wells, etc., and of machinery, tools, etc., for household enterprise and also construction of any private or community facilities free of charge. A person may be engaged in own account construction in the capacity of either a labour or a supervisor.

It is to be noted that as in earlier rounds, the activities like prostitution, begging, etc., which may result in earnings, by convention, will not be considered as economic activities. In earlier rounds, activities under 'smuggling' were kept outside the economic activity. In the field, probing is perhaps not extended to see whether the production of goods and services is carried out in the form of smuggling. Thus, in practice, production of goods and services in the form of smuggling has actually been considered as economic activity in NSS surveys. In view of this, activity of a person may be judged irrespective of the situation whether such activity is carried out illegally in the form of smuggling or not.

1.9.15 The various constituents of 'workers', are explained below:

(a) **Workers (or employed):** Persons who are engaged in any economic activity or who, despite their attachment to economic activity, have abstained from work for reasons of illness, injury or other physical disability, bad weather, festivals, social or religious functions or other contingencies necessitating temporary absence from work constitute workers. Unpaid helpers who assist in the operation of an economic activity in the household farm or non-farm activities are also considered as workers.

1.9.16 It may be noted that workers are further categorized as *self-employed, regular salaried/ wage employee and casual wage labour*. These categories are defined in the following paragraphs.

1.9.17 Self-employed: Persons who operate their own farm or non-farm enterprises or are engaged independently in a profession or trade on own-account or with one or a few partners are self-employed in household enterprises. The essential feature of the self-employed is that they have *autonomy* (i.e., regarding how, where and when to produce) and *economic independence* (i.e., regarding market, scale of operation and money) for carrying out operation. The fee or remuneration received by them consists of two parts - the share of their labour and profit of the enterprise. In other words, their remuneration is determined wholly or mainly by sales or profits of the goods or services which are produced.

The self-employed persons may again be categorised into the following three groups:

- (i) **own-account workers:** They are the self-employed who operate their enterprises on their own account or with one or a few partners and who during the reference period by and large, run their enterprise without hiring any labour. They may, however, have unpaid helpers to assist them in the activity of the enterprise.
- (ii) **employers:** The self-employed persons who work on their own account or with one or a few partners and by and large run their enterprise by hiring labour are the employers, and
- (iii) **helpers in household enterprise:** The helpers are a category of self-employed persons mostly family members who keep themselves engaged in their household enterprises, working full or part time and do not receive any regular salary or wages in return for the work performed. They do not run the household enterprise on their own but assist the related person living in the same household in running the household enterprise.

1.9.18 There is a category of workers who work at a place of their choice which is outside the establishment that employs them or buys their product. Different expressions like 'home workers', 'home based workers' and 'out workers' are synonymously used for such workers. For the purpose of this survey, all such workers will be commonly termed as 'home workers' and will be categorised as 'self-employed'. The 'home workers' have *some degree of autonomy* and *economic independence* in carrying out the work, and their work is not directly supervised as is the case for the *employees*. Like the other self-employed, these workers have to meet certain costs, like actual or imputed rent on the buildings in which they work, costs incurred for heating, lighting and power, storage or transportation, etc., thereby indicating that they have some tangible or intangible means of production. It may be noted that *employees* are not required to provide such inputs for production.

1.9.19 It may further be elaborated that the 'putting out' system prevalent in the production process in which a part of production which is 'put out' is performed in different household enterprises (and not at the employers establishment). For example, *bidi* rollers obtaining orders from a *bidi* manufacturer will be considered as home workers irrespective of whether or not they were supplied raw material (leaves, *masala*, etc.), equipment (scissors) and other means of production. The fee or remuneration received consists of two parts - the share of

their labour and profit of the enterprise. In some cases, the payment may be based on piece rate. Similarly, a woman engaged in tailoring or embroidery work on order from a wholesaler, or making *pappad* on order from some particular unit/ contractor/ trader at her home will be treated as 'home worker'. On the other hand, if she does the work in the employers premises, she will be treated as *employee*. Again, if she is not undertaking these activities on orders from outside, but markets the products by herself/ other household members for profit, she will be considered as an own account worker, if of course, she does not employ any hired help more or less on a regular basis.

1.9.20 Employee: Persons working in others farm or non-farm enterprises (both household and non-household) and getting in return salary or wages are the employees.

1.9.21 Rural Labour: Manual labour working in agricultural and /or non-agricultural occupations *in return for wages* paid either in cash or in kind (excluding exchange labour) and *living in rural areas*, will be taken as rural labour.

1.9.22 Agricultural labour: A person will be considered to be engaged as agricultural labour, if he/she follows one or more of the following agricultural occupations in the capacity of a wage paid manual labour, whether paid in cash or kind or both:

- (i) farming
- (ii) dairy farming
- (iii) production of any horticultural commodity
- (iv) raising of livestock, bees or poultry
- (v) any practice performed on a farm as incidental to or in conjunction with farm operations (including forestry and timbering) and the preparation for market and delivery to storage or to market or to carriage for transportation to market of farm produce.

Working in fisheries is excluded from agricultural labour. Further, 'carriage for transportation' refers **only to the first stage of the transport** from farm to the first place of disposal.

1.9.23 Household principal industry and occupation: To determine the household principal industry and occupation, the general procedure to be followed is to list all the occupations pertaining to economic activities pursued by the members of the household excluding those employed by the household and paying guests (who in view of their staying and taking food in the household are considered as its normal members) during the one year period preceding the date of survey, no matter whether such occupations are pursued by the members in their principal or subsidiary (on the basis of earnings) capacity. Out of the occupations listed that one which fetched the maximum earnings to the household during the last 365 days preceding the date of survey would be considered as the principal household occupation. It is quite possible that one or more members of the household may pursue the household occupation in different industries. In such cases, the particular industry out of all the different industries corresponding to the principal occupation, which fetched the maximum earnings, should be considered as the principal industry of the household. In extreme cases, the earnings may be equal in two different occupations or industry-occupation combinations. By convention, in such cases, priority will be given to the occupation or industry-occupation combination of the senior-most member.

1.9.24 **Public works:** ‘Public works’ are those activities which are sponsored by Government or Local Bodies, and which cover local area development works like construction of roads, dams, bunds, digging of ponds, etc., as relief measures, or as an outcome of employment generation schemes under the poverty alleviation programme such as Employment Guarantee Scheme (EGS), Sampoorna Grameen Rozgar Yojana (SGRY), National Food for Work Programme (NFFWP), etc. Although Indira Awaas Yojana (IAY) was considered as public works in the 62nd round, it has been excluded from the coverage of public works in this round as it does not generate wage employment.

The coverage of schemes under ‘public works’ is restricted to those schemes through which the Government generates wage employment under poverty alleviation programme, or relief measures. It may be noted that the names of these schemes signify the Budget Heads under Plan from which funds are released for carrying out various ‘types of works’. The types of works that are generally undertaken through these schemes, are watershed development, drought proofing, land levelling, flood control, laying pipes or cables, sanitation, water harvesting, irrigation canal, development of orchard, road construction, building construction / repair, running crèche, etc.

There may be some schemes sponsored by the Government and in operation, which are conceived as self-employment generation. Some such schemes of the Government are Swarnjayanti Gram Swarozgar Yojana (schemes under erstwhile IRDP merged with this), Rural Employment Generation Programme (REGP), Prime Minister’s Rozgar Yojana (PMRY), Valmiki Ambedkar Awas Yojana (VAMBAY), etc. Employment generated through these schemes is not to be considered within the purview of ‘public works’.

Sometimes, the Government may undertake various programmes, viz., Accelerated Rural Water Supply Programme (ARWSP), Rural Sanitation Programme (RSP), Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP), Integrated Wastelands Development Programme (IWDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), etc. The main objective of such programmes is on infrastructure development rather than poverty alleviation and generation of employment. Moreover, these programmes are executed as projects through contractors. Employment generated through these programmes, which are executed through contractors, is also kept outside the domain of ‘public works’. However, if similar activities relating to rural water supply, rural sanitation, desert development, wastelands development, etc. are undertaken by the State Government or Local Bodies to provide wage employment and without employing any contractor for its execution, those are to be considered under ‘public works’.

To distinguish between ‘*public works*’ and works not classifiable as ‘*public works*’, some broad characteristics of ‘*public work*’ have been identified, viz. the primary objective is generation of wage employment and poverty alleviation, and creation of community asset as an outcome in achieving those main objectives. These features of public works along with the description of some wage employment generation schemes given above will be helpful in identification of ‘*public works*’.

A short description of the three schemes sponsored by the Central Government, which are in operation either in rural areas or in urban areas, is given below:

1.9.24.1 Employment Guarantee Scheme (EGS): The National Rural Employment Guarantee Act, 2005 (NREGA) is an important step towards the realization of the right to work and to enhance the livelihood security of the households in the rural areas of the country. It extends to the whole of India except the state of Jammu & Kashmir. According to this Act, Rural Employment Guarantee Schemes (REGS) are formed by the State Governments. The Scheme provides at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. Adult means a person who has completed his eighteen years of age. Unskilled manual work means any physical work which any adult person is capable of doing without any special skill/training. The implementing agency of the scheme may be any Department of the Central Government or a State Government, a Zila Parishad, Panchayat/Gram Panchayat or any local authority or Government undertaking or non-governmental organization authorized by the Central Government or the State Government. If an applicant for employment under the scheme is not provided employment within 15 days of receipt of his application seeking employment or from the date on which employment has been sought, the applicant will be entitled for getting daily unemployment allowances.

1.9.24.2 Sampoorna Grameen Rozgar Yojana (SGRY): The primary objective of the Sampoorna Grameen Rozgar Yojana (SGRY) is to provide additional wage employment in all rural areas and thereby ensure food security and improve nutritional levels. The secondary objective is the creation of durable assets and infrastructural development in rural areas. This scheme was announced by the Prime Minister on 15.8.2001 and launched in September 2001. The schemes of Jawahar Gram Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS) have been merged under this programme w.e.f. 1.4.2002. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village/habitat. The programme is self-targeting in nature. While providing wage employment preference is given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes/ Scheduled Tribes, parents of child labour withdrawn from hazardous occupations, parents of handicapped children or adults with handicapped parents. The programme is implemented through the Panchayati Raj Institutions (PRIs). Thirty percent of employment opportunities are reserved for women under the programme. Around Rs. 10,000 crore are spent on the programme every year.

The programme is implemented on cost sharing ratio of 75:25 between the Centre and the States for the cash component of the programme. However, foodgrains under the programme are provided to the States free of cost.

Five per cent of the funds and foodgrains under SGRY are retained in the Ministry of Rural Development for utilization in areas of acute distress arising out of natural calamities or by taking up preventive measures in the chronically drought or flood affected areas. In addition, a certain percentage of the allotted foodgrains under the SGRY is reserved for the Special Component to be used in any Central or State Government scheme with wage employment potential to meet exigencies arising out of any natural calamity. The remaining funds and foodgrains under SGRY are distributed among the Zila Parishad, Intermediate Panchayats and Village Panchayat in the ratio of 20:30:50.

Wages under the programme are paid partly in the form of foodgrains and partly in cash. The States and UTs are free to calculate the cost of foodgrains paid as part of wages, at a uniform rate, which may be either BPL rate or APL rate, or anywhere between the two rates. The workers are paid the balance of wages in cash so that they are assured of the notified minimum wages.

Under the programme, priority is given to works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water resources and augmentation of ground water, traditional water harvesting structures, desiltation of village tanks/ ponds, durable assets such as schools, kitchen sheds for schools, dispensaries, community centers, and Panchayat Ghars. Development of Haats, which are labour intensive, is also to be given priority. The size, cost and nature of the work should be such that they may be completed within a period of one year and in exceptional situations within a maximum period of two years.

1.9.24.3 National Food for Work Programme (NFFWP): The National Food for Work Programme (NFFWP) is being implemented in 150 most backward districts of the country from November, 2004. The objective of the programme is to provide additional resources to 150 most backward districts of the country so that generation of supplementary wage employment and provision of food security through creation of need based economic, social and community assets in these districts is further intensified. Foodgrains are provided to the States free of cost. Works are taken up under the programme in accordance with the Five Year Perspective Plan. The Collector is responsible for preparation of the Perspective Plan and for programme implementation.

1.9.25 Enterprise: An enterprise is an undertaking which is engaged in the production and/ or distribution of some goods and/ or services meant mainly for the purpose of sale, whether fully or partly. An enterprise may be owned and operated by a single household, or by several households jointly, or by an institutional body.

1.9.26 Non-agricultural enterprise: All enterprises covered under Sections 'A' and 'B' of NIC-2004 are "agricultural enterprises" while the others covered under Sections 'C' to 'O' are "non-agricultural enterprises". The NIC-2004 booklet may be used for recording NIC codes in various schedules. *For the present round, non-agricultural enterprises under Section 'L' will be kept out of the purview of listing in schedule 0.0.* All other non-agricultural enterprises will be henceforth referred to as NAE for this survey.

1.9.27 Own account enterprise (OAE): An own account enterprise is an undertaking run by household labour, usually without any hired worker employed on a 'fairly regular basis'. By 'fairly regular basis' it is meant that employment was for the major part of the period of operation(s) of the enterprise during the last 365 days.

1.9.28 Establishment: Enterprises, which have got at least one hired worker on a 'fairly regular basis' are called establishments. Paid or unpaid apprentices, paid household member/ servant/ resident worker in an enterprise are considered as hired workers. Establishments have been further sub-divided into two classes: (i) Non-directory establishment (NDE) and (ii) Directory establishment (DE).

1.9.28.1 **Non-directory establishment (NDE):** An establishment having one to five workers (household and hired taken together) is termed as a non-directory establishment.

1.9.28.2 **Directory establishment (DE):** A directory establishment is an establishment, which has got six or more workers (household and hired taken together).

1.9.29 **Perennial enterprise:** Enterprises that are run more or less regularly throughout the year are called perennial enterprises.

1.9.30 **Seasonal enterprise:** Seasonal enterprises are those, which are usually run in a particular season or fixed months of a year.

1.9.31 **Casual enterprise:** Enterprises that are run occasionally, for a total of at least 30 days in the last 365 days, are called 'casual enterprises'.

1.9.32 **Household enterprise:** A household enterprise is one which is run by one or more members of a household or run jointly by two or more households on partnership basis irrespective of whether the enterprise is located in the premises of the household(s) or not. In other words, all proprietary and partnership enterprises are household enterprises.

1.9.33 **Non-household enterprise:** Non-household enterprises are those which are institutional i.e . owned and run by the public sector (Central or State Government, local self-governments, local bodies, government undertakings, etc.), corporate sector, co-operative societies, other type of societies, institutions, associations, trusts, etc.

Table 1: Allocation of sample villages and blocks for NSS 63rd round

state/ u.t.	number of FSUs					
	central sample			state sample		
	total	rural	urban	total	rural	urban
(1)	(2)	(3)	(4)	(5)	(6)	(7)
ANDHRA PRADESH	1216	556	660	1216	556	660
ARUNACHAL PRADESH	116	64	52	116	64	52
ASSAM	400	256	144	400	256	144
BIHAR	496	240	256	496	240	256
CHHATTISGARH	280	120	160	280	120	160
GOA	40	16	24	60	24	36
GUJARAT	584	188	396	584	188	396
HARYANA	284	100	184	284	100	184
HIMACHAL PRADESH	236	144	92	236	144	92
JAMMU & KASHMIR	300	96	204	600	192	408
JHARKHAND	276	96	180	276	96	180
KARNATAKA	672	240	432	672	240	432
KERALA	632	416	216	632	416	216
MADHYA PRADESH	592	184	408	592	184	408
MAHARASHTRA	1224	288	936	1692	288	1404
MANIPUR	168	96	72	336	192	144
MEGHALAYA	128	68	60	128	68	60
MIZORAM	144	36	108	144	36	108
NAGALAND	104	32	72	248	32	216
ORISSA	508	316	192	508	316	192
PUNJAB	368	108	260	368	108	260
RAJASTHAN	596	300	296	596	300	296
SIKKIM	56	24	32	56	24	32
TAMIL NADU	1164	456	708	1164	456	708
TRIPURA	220	120	100	220	120	100
UTTAR PRADESH	1156	388	768	1156	388	768
UTTARANCHAL	140	48	92	140	48	92
WEST BENGAL	1200	532	668	1200	532	668
A & N ISLANDS	60	20	40	-	-	-
CHANDIGARH	48	4	44	48	4	44
D & N HAVELI	24	16	8	-	-	-
DAMAN & DIU	24	12	12	24	12	12
DELHI	472	16	456	944	32	912
LAKSHADWEEP	16	4	12	-	-	-
PONDICHERY	56	8	48	56	8	48
ALL- INDIA	14000	5608	8392	15472	5784	9688