

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 fifty-ninth round from 1st January 2003.

1.0.2 Fifty-ninth round of NSS is earmarked for collection of data on land and livestock holdings, debt and investment and situation assessment for Indian farmers besides that on household consumer expenditure and employment-unemployment. The field operations of the survey will commence on 1st January 2003 and will continue up to 31st December 2003.

1.0.3 Enquiries on land and livestock holdings (LHS) and all-India debt and investment (AIDIS) form the core of the fifty-ninth round programmes. Enquiry on land holdings was first taken up in the NSS 8th round (July '54 - April '55) as part of FAO programme of World Agricultural Census. It was repeated in the 16th and 17th rounds (July '60 - June '61 and September '61 - July '62). The next NSS survey on the subject was in the 26th round (July '71 - September '72). The All India Rural Credit Survey, the forerunner of the 'All India Debt and Investment' survey (AIDIS) was conducted by the RBI for the first time in the year 1951-52, with a view to obtaining information for formulating banking policies regarding rural credit. The survey on rural debt and investment was again conducted by the RBI in the year 1961-62 for obtaining reliable estimates of debt, borrowings, capital formation etc. The next survey on the subject was entrusted to the NSSO by the RBI and was integrated with the survey on land holdings conducted in NSS 26th round. In accordance with the 10-year programme charted by the NSSO, the enquiries on the topics were carried out again in the NSS 37th round (1982) and subsequently in NSS 48th round (1992). The present round is essentially a repetition of the NSS 48th round. However, some changes have been effected in the sample design and the formats of the survey schedules at the suggestion of the Working Group on the subject for obtaining reliable estimates of various characteristics. The situation assessment survey of Indian farmers (SAS) has been taken up for the first time and it will serve as a benchmark database on Indian farmers.

1.0.4 Data to be collected in this round will relate to the fixed period of the agricultural year July 2002 – June 2003. Hence the calendar year of 2003 has been considered to be the most desirable survey period for this enquiry. In order to reduce the recall error, the total information relating to each sample household will be collected in two visits. The first visit (January to August) will broadly cover the Kharif season of the agricultural year 2002 – 2003 and the second (September to December) the corresponding Rabi season.

1.1 Survey particulars

1.1.1 **Subject Coverage:** The 59th round (January-December 2003) of NSS will cover land and livestock holdings and debt and investment. It has also been decided to integrate situation

assessment survey for Indian farmers with the current round of survey. In addition, annual survey of consumer expenditure and employment - unemployment will also be conducted.

However, situation assessment survey will cover only the rural sector since the agricultural activity is pre-dominantly a rural phenomenon and the diversity of farming activities as well as farmers' situations is more pronounced the rural areas.

SAS will be conducted in the central sample. However, Maharashtra & Meghalaya will participate in SAS for state sample.

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: As already mentioned, the survey period of this round will be the calendar year of 2003 i.e. January to December, 2003.

1.1.3.1 Visits 1 & 2: Each sample FSU will be visited twice during this round. Since the workload of the first visit (i.e. visit 1) will be more, the first visit will continue till the end of August 2003. Thus, period of the first visit will be January – August 2003 and that of the second visit (i.e. visit 2) will be September – December 2003.

The listing schedules (sch 0.0) will be canvassed only in the first visit. Schedules 18.1, 18.2 and 33 will be canvassed in independent sets of sample households. Each sample household will be visited twice. Visit 1 and visit 2 schedules will be canvassed in the same set of sample households during first and second visit respectively. Contents of the schedules for the two visits are not same since the information relate to two different seasons. Visit number is printed in the respective schedules.

Of the four households selected for schedule 1.0, two will be canvassed in the first visit (during Jan – Aug, 2003) and the remaining two in the second visit (during Sept – Dec, 2003).

As per the programme, the villages/blocks visited in the first two months of the first visit will be revisited in the first month of the second visit and so on i.e. villages/blocks visited in January & February, March & April, May & June and July & August will be revisited in September, October, November and December respectively.

1.1.3.2 Sub-rounds: The survey period of the round will be divided into two sub-rounds. Sub-round one will consist of the first half of the survey period of each visit while sub-round two will consist of the remaining period. The sub-round number will be given in the sample list. Because of the arduous field condition, this restriction need not strictly be enforced in *Andaman and Nicobar Islands, Lakshadweep and rural areas of Arunachal Pradesh and Nagaland.*

1.1.4 Schedules of enquiry: The following schedules will be canvassed during the current round:

Schedule 0.0	:	list of households
Schedule 18.1	:	land and livestock holdings
Schedule 18.2	:	debt and investment
Schedule 33	:	situation assessment survey of farmers
Schedule 1.0	:	household 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

Maharashtra & Merghalaya will participate in SAS for the state sample.

1.2 Contents of Volume I

1.2.0 The present volume contains five chapters. Chapter one, besides giving an overview of the whole survey operation, discusses the concepts and definitions of certain important technical terms used in the survey. It also describes in detail the sampling design and the procedure of selection of households adopted for this round. Instructions for filling in schedule 0.0, schedule 18.1, schedule 18.2, and schedule 1.0 are given in chapter's two to five respectively.

Instructions for filling in schedule 33 for SAS have been printed separately and provided to FOD as well as the states participating in the survey.

1.3 Concepts and Definitions:

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

1.3.1 **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.

1.3.2 **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 to one another. The following cases are to be noted while determining the group of persons 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 former persons 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 later 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 students staying in hostels (if any) and the residential staff (other than monks/nuns) of 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.

1.3.3 Household size: The number of normally resident members of a household is its size. It will include temporary stay-aways but exclude temporary visitors and guests. 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.

1.3.4 Land possessed: Land possessed is given by land owned (including land under 'owner like possession') + land leased in - land leased out + land held by the household but neither owned nor leased in (e.g. encroached land).

1.3.5 Ownership of land: (i) A plot of land is considered to be owned by the household if permanent heritable possession, with or without the right to transfer the title, is vested in a member or members of the household. Land held in owner-like possession under long term lease or assignment is also considered as land owned. Thus, in determining the ownership of a plot of land two basic concepts are involved, namely,

(a) Land owned by the household, i.e. land on which the household has the right of permanent heritable possession with or without the right to transfer the title, e.g. Pattadars, Bhumidars, Jenmos, Bhumiswamis, Rayat Sithibans, etc. A plot of land may be leased out to others by the owner without losing the right of permanent heritable possession.

(b) Land held under special conditions such that the holder does not possess the title of ownership but the right for long term possession of the land (for example, land possessed under perpetual lease, hereditary tenure and long term lease for 30 years or more) will be considered as being held under owner like possession. In the states where land reform legislations have provided for full proprietorship to erstwhile tenants, they are to be considered as having owner like possession, even if they have not paid the full compensation.

(ii) Sometimes a plot may be possessed by a tribal in accordance with traditional tribal rights from local chieftains or village/district council. Again, a plot may be occupied by a tenant for which the right of ownership vests in the community. In both the cases, the tribal or other individual (tenant) will be taken as owner, for in all such cases, the holder has the owner like possession of land in question.

1.3.6 Lease of land: (i) Land given to others on rent or free by owner of the land without surrendering the right of permanent heritable title is defined as land leased-out. It is defined as land leased-in if it is taken by a household on rent or free without any right of permanent or heritable possession. The lease contract may be written or oral.

(ii) Sometimes orchards and plantations are given to others for harvesting the produce for which the owner receives a payment in cash or kind. Such transactions will not be treated as 'lease' for the purpose of the survey.

1.3.7 Otherwise possessed land: This is understood to mean all public/institutional land possessed by the household without title of ownership or occupancy right. The possession is without the consent of the owner. Private land (i.e. land owned by the household sector) possessed by the household without title of ownership and occupancy right will *not* be

included in this category. All private land encroached upon by the household will be treated as leased-in land.

1.3.8 Homestead land: (i) Homestead of a household is defined as the dwelling house of the household together with the courtyard, compound, garden, out-house, place of worship, family graveyard, guest house, shop, workshop and offices for running household enterprises, tanks, wells, latrines, drains and boundary walls *annexed* to the dwelling house. All land coming under homestead is defined as homestead land.

(ii) Homestead may constitute only a part of a plot. Sometimes, gardens, orchards or plantations, though adjacent to the homestead and lying within the boundary walls, may be located on a clearly distinct piece of land. In such cases, land under garden, orchard or plantation will not be considered as homestead land.

1.3.9 Agricultural production : Agricultural production will include:

- a) Growing of field crops, fruits, grapes, nuts, seeds, seedlings in the nurseries, bulbs, vegetables and flowers both in open and under glass
- b) Production of plantation crops like tea, coffee, cocoa, rubber etc.
- c) Forest production in parcels of land which form part of enumeration holding and
- d) Production of livestock and livestock products, poultry and poultry products, fish, honey, rabbits, furbearing animals and silk-worm cocoons. However, rearing pet animals will not be considered as agricultural production.

1.3.10 Operational holding: An operational holding is a techno-economic unit constituted of all land that is used wholly or partly for agricultural production and is operated (directed/managed) by one person alone or with assistance of others, without regard to title, size or location. The holding may consist of one or more parcels of land, provided that they are located within the country and that they form part of the same techno-economic unit. The definition includes four major points:

First, it is a techno-economic unit operated (directed/managed) by a person. In the context of agricultural operations, a technical unit is understood as unit with more or less independent technical resources, like land, agricultural implements and machinery, draught animals etc. A 'person' according to the definition, for the purpose of this survey, will be either a single household or more than one household operating jointly. However, holdings operated as cooperative farms will not be considered as operational holding in this survey.

Second, it is constituted of at least some land which is used for agricultural production. Since 'agricultural production' also includes some activities other than cultivation, there may be holdings without cultivated land. For example, holdings put exclusively to livestock rearing, poultry raising, bee-keeping, production of livestock and poultry products or pisciculture will be considered as operational holdings.

Third, the title, size or location of land are to be disregarded, while identifying an operational holding.

Fourth, it may consist of two or more parcels of land even if widely separated, provided that they form part of the same technical and economic unit. Being part of the same techno-

economic unit means that the pieces of land are operated by the same household or group of households operating jointly with the same technical resources.

1.3.11 Individual and joint operational holding: An operational holding managed by one or more members of a single household will be taken as individual holding. It will be treated as a joint operational holding only when it is managed by members of more than one household.

1.3.12 Parcels: A parcel of an operational holding is a piece of land surrounded entirely by other operational holdings or by land not forming part of any operational holding. It may consist of more than one plots.

1.3.13 Using the standard nine-fold classification of land utilisation six broad classes have been formed for the purpose of this survey. The definitions of broad classes of land relevant for the survey are given below:

(i) **Forest:** This includes all area actually under forest on land classified under any legal enactment or administered as forest, whether state-owned or private. If any portion of such land is not actually wooded but put to raising of field crops, it will be treated under net sown area and not under forest. All area under social and farm forestry will be included in this class.

(ii) **Net sown area:** This consists of area sown with field crops and area under orchards and plantations counting only once the area sown more than once in the same year/season. The net sown area defined above has been further classified into area under seasonal crops, orchards and plantations.

(a) **Orchards:** A piece of land put to production of horticulture crops, viz., fruits, nuts, dates, grapes etc. (other than those treated as plantation crops), is regarded as an orchard, if it is at least 0.10 hectare in size or is having at least 12 trees planted on it. It may be clarified that in the case of such fruit trees where distance between the trees is quite large, say more than six metres as in the case of mangoes, the orchard will be defined according to the minimum number of 12 trees planted in it, while, in such cases, where the distance is less than six metres as in the case of bananas, papayas, grapevines etc., the orchard will be defined on the basis of the minimum area of 1/10th of an hectare.

(b) **Plantations:** Area devoted to production of plantation crops, viz., tea, coffee, cashew nut, areca nut, oil palm, clove and nutmeg, will be treated as area under plantation. The size restriction given for orchards will also be applicable for plantations for the purpose of the survey.

(c) **Area under seasonal crop:** All the land under net sown area not coming under orchards or plantations will be taken as area under seasonal crops.

Sometimes, net sown area may consist of a piece of land put to a combination of the above three uses. In such cases, the use to which the major area of the piece of land is put will be treated as the use of the piece of land.

(iii) **Current fallow:** This comprises cultivable area which is kept fallow during the current agricultural year. If any seedling area in the current agricultural year is not cropped again in the same year, it is also treated as current fallow.

(iv) **Other fallow:** All pieces of land which were taken up for cultivation in the past, but are temporarily out of cultivation for a period of more than one agricultural year but not more than five years, including the current agricultural year, are classified under other fallow.

(v) **Area under non-agricultural uses:** This includes all land occupied by buildings, path etc. or under water (tanks, wells, canals etc.) and land put to uses other than agricultural uses. For the purpose of this survey, this class of land has been further divided into two classes :

(a) **Water bodies:** All land which are perennially under water is defined as water bodies, provided that no crop is raised on them.

(b) **Other non-agricultural uses:** All land put to other non-agricultural uses, viz., buildings, roads, railways, paths etc. are classified under land put to other non-agricultural uses.

(vi) **Other uses:** This includes all land coming under rest of the classes of standard nine-fold classification, viz., 'culturable waste', 'miscellaneous tree crops and groves not included in net sown area', 'permanent pastures and other grazing land' and 'barren and unculturable waste'.

1.3.14 Drainage facility: A plot of land will be considered to have drainage facility if there exists some method of removal of excess water from the surface of land, from the upper layers of soil or sub-soil by artificial means for the purpose of making (a) non-producing wet land productive and (b) producing wet land more productive.

Natural drainage, i.e. normal outflow of excess water from the plot of land by virtue of its position will not be considered as drainage facility.

1.3.15 Irrigation: Irrigation will be considered as a device of purposively providing land with water, other than rain water, by artificial means for crop production.

1.3.16 Permanent attached farm workers: A person who is employed by the management of an operational holding is considered to be a permanent attached farm worker of the operational holding for an agricultural season if (i) the person is employed more or less continuously during the season in the holding and (ii) the employment is under some sort of a contract that is binding on the person to serve the holding during the period of various agricultural operations (from preparation of soil to storing of grains) in respect of the crops of the seasons.

1.3.17 Farmer: A farmer is defined for this survey as a person who operates some land (owned or taken on lease or otherwise possessed) and is engaged in agricultural activities in broad sense of the term e.g. cultivation of field crops, horticultural crops, plantation, animal husbandry, poultry, fishery, piggery, bee-keeping, vermiculture, sericulture, etc., on that land during last 365 days.

Those who are engaged in agricultural and allied activities but do not operate a piece of land will not be classified as farmer. Thus agricultural labourer, coastal fisherman, rural artisans and persons engaged in agricultural services will not qualify as farmer.

It is quite possible that during the reference period of last 365 days, a person could have left his entire land as 'current fallow' by discretion or due to natural conditions. As per agricultural census, they are considered as farmers. However, since the purpose of the Situation Assessment Survey (SAS) is to probe into the activities and conditions of the farmers and no meaningful information can be obtained in this respect from such farmers who have kept their entire land as 'current fallow' during the reference period, such farmers will be excluded from the coverage of the present SAS.

Thus, for a person to be considered as a farmer one must possess some land and be engaged in agricultural activities on that land during the reference period.

1.3.17.1 However, agricultural activities of insignificant nature or agricultural activities done at a nominal scale will not be treated as agricultural activity for the purpose of this survey. Although it is not possible to describe all the insignificant activities or activities of small scale, some typical cases are listed below in order to help the field investigators identify the non-trivial cases of farming activity. The judgement of the investigator will, however, be the most important factor in eliminating the trivial situations.

(i) A person growing flower, decorative or leafy plants, etc. in the terrace of the house or growing fruits like coconut / banana / guava / lemon / papaya etc. or growing vegetables like cauliflower, chilly etc. at a nominal scale will not be considered as a farmer.

(ii) A person who is not using any land for the purpose of agricultural production and is engaged in coastal fishing will not be treated as a farmer. Similarly, a person collecting honey or other products freely from the forest will not be a farmer.

(iii) A person associated with agricultural activity in some way but not taking farm level decisions will not be considered as a farmer. Suppose owner of a mango orchard leases out the trees with near ripe fruits to another person and the person harvests and sells the produce. In this case the owner will be a farmer but the person to whom he leases out the trees will not be treated as a farmer.

(iv) In the case of share cropping, sometimes the owner of the land provides the finance, seeds, fertilisers etc. and takes a fixed share of the harvested produce. In such situations, the share cropper will be treated as a farmer while the owner will not be considered as a farmer.

1.3.18 Household with farming activity: If any member of a household is a farmer, it will be treated as a household with farming activity.

1.3.19 Economic activity: Any activity resulting in production of goods and services that adds value to national product is considered as economic activity. Such activities include production of all goods and services for market i.e. production for pay or profit and the production of primary commodities for own consumption and own account production of fixed assets, among the non-market activities. The entire spectrum of human activity falls into two catego-

ries viz. economic and non-economic activities. 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. These are essentially production of goods and services for the market including those of government services etc. Non-market activities are the production for own consumption of primary products including own account processing of primary products and own account production of fixed assets. However the whole spectrum of economic activities as defined in the UN System of National Accounts (SNA) will not be covered under 'economic activity' for this round. The term 'economic activity' will include:

- (i) all the market activities described above i.e. the activities performed for pay or profit and
- (ii) of the non-market activities:
 - (a) all the activities relating to agricultural sector which result in production (including gathering of uncultivated crops, forestry, collection of firewood, hunting, fishing etc.) of agricultural produce 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 either in the capacity of a labourer or a supervisor.

It is to be noted that *the activities like prostitution, begging, smuggling etc. that may result in earnings will not, by convention, be considered as economic activities.*

1.3.20 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.

1.3.21 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.*

1.3.22 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 types of societies, institutions, associations, trusts, etc.

1.3.23 Assets: Assets represent all the things owned by the household which have money value, e.g. land, buildings, livestock, agricultural machinery and implements, non-farm business equipments, all transport equipments, durable household goods, dues receivable on loans advanced in cash and in kind, shares in companies, cooperative societies, banks etc., national plan saving certificates and the like, deposits in companies, banks, post offices and with individuals. However, crops standing in the fields and stock of commodities held by the

household will not be considered as assets for the purpose of the survey. Following the concepts of 48th round of NSS, currency notes and coins in hand will also be considered as assets and efforts will be made to collect data on these items with reference to the date of survey.

1.3.24 Household durable assets: Articles which are used for domestic purposes and have a longer expected life, say, one year or more, and cannot be purchased at nominal price will come under household durables. Such goods are usually purchased infrequently or they have a longer interval of purchase. However, minor items like tines, bottles, knives, though expected last for a longer period, will be ignored.

1.3.25 Capital expenditure: Fixed capital formation takes place by way of new purchase, construction for own use and improvement of physical assets which help in further production. Thus, expenditure on land development work, on fixed assets used in farm and non-farm business and on residential buildings will be considered as capital expenditure. Besides these items of expenditure, expenditure incurred by the household for purchase of land, land rights and livestock have also to be taken into account.

1.3.26 Farm business: Farm business comprises household economic activities like cultivation, including cultivation of plantation and orchard crops, and processing of produce on the farm, e.g. paddy hulling and gur making. Although gur making is a manufacturing activity, this will be covered under farm business for the purpose of this survey only when such activity is carried out in the farm by indigenous method. Such activities when they are carried out in non-household enterprises are to be excluded from the purview of the farm business. Farm business will also include activities ancillary to agriculture, like livestock raising, poultry, fishing, dairy farm activities, bee keeping and other allied activities coming under Tabulation Category A and B of the National Industrial Classification 1998.

1.3.27 Non-farm business: Non-farm business is defined as all household economic activities other than those covered in the farm business. This will cover manufacturing, mining & quarrying, trade, hotel & restaurant, transport, construction, repairing and other services. For the purpose of this survey, non-farm business shall exclude such activities when they are carried out in non-household enterprises. It may be noted that all non-farm business enterprises, which are registered under section 2m(i) or 2m(ii) and section 85 of the Factories Act, 1948 will be excluded from the scope of this survey. Further, Bidi and cigar manufacturing establishments registered under the Bidi and Cigar Workers (condition of employment) Act, 1966 will also be kept outside the coverage of this survey.

1.3.28 It may be noted that the ultimate sampling unit in this survey is the household. Information is collected on various characteristics of members of the household, of which some are related to their ownership, expenditure, receipts, sales etc. on items related to farm business or non-farm business in such enterprises as stated in the paragraphs 1.3.26 and 1.3.27.

1.3.29 Major repairs / addition & alteration / improvement: These include outlays on major alterations in machinery, equipment, structure, or other fixed assets which significantly extend their expected lifetime of use, productivity or the character or the volume of the service they render. Replacements of parts or attachments which have an expected lifetime of use of

more than a year and involve substantial outlays is to be covered under 'major repairs etc.'. The repairs which are not expected to be completed within a short span of time and involve substantial outlays are to be classified as major repairs.

Example : Works like re-plastering of the walls or roof of a room, conversion of 'katcha' floor into a 'pucca' floor, replacement of a 'mud' wall by a 'stone' wall, replacement of a 'katcha' roof by 'tiles' which are of a durable nature and which increase the life of the assets are to be classified as major repairs etc. Major alteration of an existing well will be broadening and deepening and other types of work which increase the capacity of the well. Replacements of parts of machinery, transport equipments etc. or renovation of plants and machinery, buildings etc. which are of durable nature and involve substantial outlays are to be included in major repairs etc.

1.3.30 Normal repairs and maintenance: These include outlays of recurring nature on fixed assets necessary to keep them in good working order. Replacement of parts and attachments of fixed assets which are short lived (having an expected lifetime use of up to one year) and / or relatively of small value are included here.

Examples: Outlays on white washing and minor annual repairs undertaken to keep the buildings in good working conditions are included in normal repairs and maintenance. The expenditure on removal of dirt, silt and other materials from the well etc. is covered under normal repairs. Similarly, servicing of machinery and transport equipments and replacements of parts which are short lived and/or are of small value is to be treated as normal repairs.

1.3.31 Liability: All claims against the household held by others will be considered as the liabilities of the household. Thus, all loans payable by the household to others, irrespective of whether they are cash loans or kind loans will be deemed as the liability of the household. Unpaid bills of grocers, doctors, lawyers etc. will also constitute the liability of the household. Different kinds of liabilities are defined below:

(i) **Cash loan:** All loans taken in cash will be considered as cash loans payable, irrespective of whether those loans are repaid or proposed to be repaid in cash or in kind. Cash loans, generally, cover borrowings at specific rate of interest for a specific period of time. However, if a loan is taken even at 'nil' rate of interest from relatives and friends, it will be considered as cash loan. The loans may be taken against a security or without any security. Dues payable by the household owing to the purchase of goods under hire-purchase scheme will be treated as cash loans.

(ii) **Kind loan:** All loans taken in kind (except the case of hire-purchase) irrespective of whether those are already repaid or yet to be repaid in cash or in kind will be considered as kind loans payable.

(iii) **Other liabilities:** As distinguished from cash loans, 'other liabilities' comprise all kind loans payable and also liabilities arising out of goods and services taken from doctors, lawyers etc. Similarly outstanding taxes, rent payable to Government, other public bodies, landlords etc. will be included under 'other liabilities'. Trade debt arising out of the commercial transactions of the household should also be included under 'other liabilities'. The household may be taking goods from grocers, milkman etc. on credit and making

payment at frequent intervals. All such dues payable by the household will be considered as 'other liabilities', if they are not repaid within the due dates.

1.3.32 Kisan Credit Card

Kisan Credit Cards are issued by the Banks to farmers on the basis of their land holdings so that the farmers may use them to readily purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and draw cash for their production needs. Kisan Credit Card (KCC) Scheme aims at adequate and timely support from the banking system to the farmers for their cultivation needs including purchase of inputs in a flexible and cost effective manner. The Model scheme, prepared by NABARD, is being implemented by commercial banks, RRBs and cooperative banks. The scheme provides broad guidelines to the banks for operationalising the KCC scheme, implementing banks have the discretion to adopt the same to suit location specific requirements. The scheme primarily caters to the short term credit requirements of the farmers. Under the scheme, banks provide the Kisan Credit Cards to farmers who are eligible for sanction of production credit of Rs.5000/- and above. A credit card and a passbook or a credit card-cum-passbook incorporating the name, address, particulars of land holding, borrowing limit, validity period, etc. are issued to the beneficiaries under the scheme. This serves both as an identity card as well as facilitates recording of the transactions on an ongoing basis. The card, among others, provides for a passport size photograph of the holder. The borrower is required to produce the card cum pass book whenever he operates the account.

1.3.33 Financial Company

A financial company is an institution which has to be (i) a company under companies act; (ii) engaged in financial activity; and (iii) principal business should not be agricultural, industrial or trading activity or real estate business.

1.3.34 Types of financial companies:

Financial companies are classified into the following 8 categories based on their principal business.

- (i) Equipment Leasing Company (ELC)
- (ii) Hire Purchase Financing Company (HPFC)
- (iii) Loan Company (LC)
- (iv) Investment Company (IC)
- (v) Mutual Benefit Fund Company (Nidhi)
- (vi) Miscellaneous Non-Banking Company (Chit Fund Company)
- (vii) Residuary Non-Banking Company (RNBC)
- (viii) Housing Finance Company (HFC)

Equipment Leasing Companies and Hire Purchase Financing Companies are those whose principal business is leasing or hire purchase finance. Loan Companies are those which are primarily engaged in lending by way of loans and advances. Investment companies are those whose principal business is acquisition of shares/ securities. Mutual Benefit Fund Companies (Nidhis) are companies which are notified under Section 620A of the companies Act, 1956. Since Nidhi companies are required to confine their business to their own members, these

companies are exempted from several core provisions of RBI directions. Miscellaneous Non-Banking Companies are principally engaged in the Chit Fund business. RBI controls only the deposit acceptance of the Chit Fund Companies. Residuary Non-Banking Companies operate various saving schemes which are akin to recurring deposit schemes operated by commercial banks. The deposit acceptance activities of Housing Finance Companies are being regulated by National Housing Bank (NHB) since 1989.

1.3.35 Financial Institution

Financial Institution (FI's) play an important role in the financial system of the economy. They cater to the needs of medium and long-term financing as well as requirement of working capital by different sectors of the economy. FI's are broadly categorised into *All-India Financial Institutions (AIFI)*, *State level institutions* and *Other institutions*.

All-India Financial Institutions: These include Industrial Development Bank of India (IDBI), IFCI Ltd., ICICI Ltd., Industrial Investment Bank of India Ltd. (IIBI), Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB), National Bank of Agriculture and Rural Development (NABARD), Export Import Bank of India (EXIM), Tourism Finance Corporation of India Ltd., (TFCI) and Infrastructure Development Finance Company Ltd. (IDFC), Unit Trust of India (UTI), Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) and its erstwhile four subsidiaries, etc.

State level institutions: These include State Financial Corporations (SFCs), State Industrial Development Corporations (SIDCs), etc.

Other institutions: These include agencies like Export Credit Guarantee Corporation of India (ECGC), Deposit Insurance and Credit Guarantee Corporation (DICGC), etc.

1.3.36 Non-financial Company

It is an industrial concern as defined in Industrial Development Bank of India Act or a company whose principal activity is agricultural operations or trading in goods and services or real estate and which is not classified as financial or miscellaneous or residuary non-banking company.

1.3.37 Household consumer expenditure: This is the expenditure of a household on domestic consumption only. This is same as the expenditure covered in the consumer expenditure survey of NSS. Any expenditure incurred by the household on its enterprise account is to be excluded from consumer expenditure.

1.3.38 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.

1.3.39 Activity status: It is the activity situation in which a person is found during a reference period in respect of the person's participation in economic and non-economic activities. According to this, a person will be in one or a combination of the following three statuses during a reference period:

- (i) working or being engaged in economic activity (work) as defined in above para
 - (ii) being not engaged in economic activity (work) and either making tangible efforts to seek 'work' or being available for 'work' if the 'work' is available and
 - (iii) being not engaged in any economic activity (work) and also not available for 'work'.
- Activity statuses mentioned in (i) & (ii) above are associated with 'being in labour force' and (iii) with 'not being in the labour force'. Within the labour force activity status (i) is associated with 'employment' and that of (ii) with 'unemployment'.

Classification of each individual into a unique status poses a problem when more than one of the three activity statuses listed above is concurrently obtained for a person. In such an eventuality, the identification uniquely under any one of the three activity statuses is done by adopting either the major time or priority criterion. The former is used for classification of persons under 'usual activity status' and the latter for classification of persons under 'current activity status'. The three major activity statuses have been further sub-divided into several detailed activity categories. If a person categorised as engaged in economic/non-economic activity, by adopting one of the two criteria mentioned above, is found to be pursuing more than one economic/non-economic activity during the reference period, the appropriate detailed status code will relate to the activity in which relatively more time has been spent.

1.3.40 Workers (or employed): Persons who are engaged in any economic activity or who, despite their attachment to economic activity, have abstained from work for reason 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. All the workers are assigned one of the detailed activity statuses under the broad activity category 'working or being engaged in economic activity'.

1.3.41 Seeking or available for work (or unemployed): Persons, who owing to lack of work, have not worked but either sought work through employment, exchanges, intermediaries, friends or relatives or by making applications to prospective employers or expressed their willingness or availability for work under the prevailing conditions of work and remuneration are considered as those who are 'seeking or available for work' (or unemployed).

1.3.42 Labour force: Persons who are either ‘working’ (or employed) or ‘seeking or available for work’ (or unemployed) during the reference period together constitute the labour force. Persons who were neither ‘working’ nor ‘seeking or available for work’ for various reasons during the reference period are considered to be ‘out of labour force’. The persons under this category are students, those engaged in domestic duties, rentiers, pensioners, recipients of remittances, those living on alms, infirm or disabled persons, too young or too old persons, prostitutes, smugglers, etc. and casual labourers not working due to sickness.

1.3.43 Rural labour: This is defined as manual labour (by a person living in rural area) in agricultural and/or non-agricultural occupations in return for wages/salary either in cash or kind (excluding exchange labour). A person who is self-employed in manual work will not be treated as a wage-paid manual labourer.

The term ‘manual work’ means a job essentially involving physical operations. However, a job though essentially involving physical labour but also requiring a certain level of general, professional, scientific or technical education will not be classified as manual work. On the other hand, jobs not involving much of physical labour and at the same time not requiring much educational (general, scientific, technical or otherwise) background will be treated as manual work. Thus the definition will exclude engineers, doctors, dentists, midwives, etc. from manual workers even though their jobs involve some element of physical labour but will include peons, chowkidars, watchmen, etc. even if their work does not involve much of physical labour. Manual work will cover one or more of the following occupational groups of the National Classification of Occupations (Revised 1968): -

Division 5 - Service workers:

Group 52: cooks, waiters, bartenders and related workers.

Group 53: maids and other housekeeping service workers.

Group 54: building caretakers, sweepers, cleaners and related workers.

Group 55: launders, dry cleaners and pressers.

Group 56: hairdressers, barbers, beauticians and related workers.

Family 570: fire fighters.

Family 574: watchmen, gatekeepers

Family 579: protective service workers not elsewhere classified.

Division 6: Farmers, Fishermen, Hunters, Loggers and related workers: -

Group 63: agricultural labourers.

Group 64: plantation labourers and related workers.

Group 65: other farm workers.

Group 66: forestry workers.

Group 67: hunters and related workers.

Group 68: fishermen and related workers.

Divisions 7-8-9: Production & related workers, Transport equipment operators and Labourers:

All groups excluding Group 85 (electrical fitters and related workers) and Group 86 (broadcasting station and sound equipment operators and cinema projectionists).

1.3.44 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 manual labour:

- (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 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.

1.3.45 Self-employed in household enterprise: 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 self-employment is that the remuneration is determined wholly or mainly by sales or profits of the goods or services which are being produced. In the case of 'putting out' system where part of a job is performed in different household enterprises, persons will be considered as self-employed if they have some tangible or intangible means of production and their work is a kind of enterprise to them and the fee or remuneration really consists of two parts viz., the share of their labour and the profit of the enterprise. The self-employed persons may again be categorised into the following three groups:

(i) **Own account workers:** These are the self-employed persons 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:** 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.

(iii) **Helpers in household enterprise:** Helpers are 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. Persons who worked in the capacity of 'helpers' but had a share in the family earning will be considered as 'helpers'.

1.3.46 Regular salaried/wage employee: Persons working in others' farm or non-farm enterprises (both household and non-household) and getting in return salary or wages on

regular basis and not on the basis of daily or periodic renewal of work contract are the regular salaried/wage employees. The category not only includes persons getting time wage but also persons receiving piece wage or salary and paid apprentices, both full-time and part-time.

1.3.47 Casual wage labour: A person casually engaged in others' farm or non-farm enterprises (both household and non-household) and getting in return wage according to the terms of the daily or periodic work contract is a casual wage labourer. Usually, in the rural areas, a class of labourers can be seen who normally engage themselves in 'public works' activities. 'Public works' are those activities, which are sponsored by Government or local bodies for construction of roads, bunds, digging of ponds, etc. as 'test relief' measures (like flood relief, drought relief, famine relief, etc.) and also employment generation schemes under various poverty alleviation programmes.

1.3.48 Usual (principal) activity status: The usual activity status relates to the activity status of a person during the reference period of 365 days preceding the date of survey. The activity status on which a person spent relatively longer time (major time criterion) during the 365 days preceding the date of survey is considered the principal usual activity status of the person. In the first instance the broad principal usual activity of the person will be identified based on the various activities pursued by the person during the reference period of last 365 days adopting a relatively long time (or major time) criterion, not necessarily for a continuous period. The broad principal usual activity status will be one of the three categories viz. 'employed' (working), 'unemployed' (available for work) or 'not in labour force' (neither willing nor available for work). It is to be noted that in deciding this, only the normal working hours available for pursuing various activities need be considered, and not the 24 hours of a day. The broad principal usual activity status will be obtained on the basis of a two- stage dichotomous classification depending on the major time spent. Persons will be classified in the first stage into (i) those who are engaged in any economic activity (i.e., employed) and/or available for any economic activity (i.e., unemployed) and (ii) who are not engaged and not available for any economic activity i.e., the persons will be first classified as those in the labour force and those not in the labour force depending on in which of these two statuses the person spent major part of the year. In the second stage, those who are found in the labour force will be further classified into working (i.e., engaged in economic activity or employed) and seeking and/or available for work (i.e., unemployed) based on the major time spent.

1.3.49 Subsidiary economic activity: For a person it may be necessary to ascertain whether he or she worked in a subsidiary capacity during the 365 days preceding the date of survey or not; in other words, whether he or she had a subsidiary economic usual status. This has to be ascertained for all the three broad categories of persons initially classified as 'employed', 'unemployed' and 'not in labour force'. To illustrate, a person categorised as working and assigned the principal usual activity status 'self-employed' may also be engaged for a relatively shorter time during the year as casual wage labour. In such a case, he will be considered to have worked also in a subsidiary capacity (i.e., having a subsidiary economic status which is different from the principal status). On the other hand, a person may be self-employed in trade for a relatively longer period and simultaneously also engaged in agricultural production for a relatively minor time. In such a case, the principal usual activity status will be 'self-employed in trade' and subsidiary economic status, 'self-employed in agriculture'. Similarly, persons categorised as 'unemployed' or 'not in labour force' on the basis of 'relatively longer time' criterion might have pursued some economic activity for relatively shorter time during the year.

In all the above cases, they will be treated to have had subsidiary economic usual status. It may be noted that engagement in work in subsidiary capacity may arise out of two situations:

(i) a person may be engaged for a relatively longer period during the 365 days in one economic activity/non-economic activity and for a relatively shorter period in another economic activity;

(ii) a person may be pursuing one economic activity/non-economic activity almost throughout the year in the principal status and also simultaneously pursuing another economic activity for relatively shorter time in a subsidiary capacity.

1.3.50 Current weekly activity status: The current weekly activity status of a person will be the activity status obtaining for a person during a reference period of seven days preceding the date of survey. Irrespective of the usual activity pursued by a person, his/her current weekly activity will be determined strictly on the basis of the activities pursued by the person during the reference period of seven days preceding the date of survey adopting the priority criterion. Even self-employed persons, one need not prejudge and take for granted that the current activity situation for them will be identical with the usual activity situation. A careful probe on the part of the investigator regarding the various activities pursued by the person during the seven days preceding the date of survey is, therefore, necessary for ascertaining his/her current weekly activity status. In defining the 'activity status', it has already been mentioned that the activities are grouped broadly into three categories, namely:

- (i) working,
- (ii) not working but seeking and/or available for work, and
- (iii) neither working nor available for work.

According to the priority criterion, the status of 'working' gets priority over the status 'not working but seeking and/or available for work' which in turn gets priority over the status of 'neither working nor available for work'. In the category, 'not working but seeking and/or available for work', the status 'seeking' gets priority over the status of 'not seeking but available for work'. A person would be considered 'working (or employed)' if he/she while pursuing any economic activity had worked for at least one hour on any one day during the week preceding the date of survey. A person would be considered 'seeking and/or available for work (or unemployed)' if during the reference week no 'work' was done by the person but he or she had made efforts to get work or had been available for work during the reference week though not actively seeking work, in the belief that no work was available. A person who had neither worked nor was available for work will be considered to be engaged in non-economic activities (or not in labour force).

1.3.51 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.

1.3.52 Public Distribution System (PDS) means the distribution of some essential commodities by the government at subsidised rate through ration shops, fair price shops and control shops. These shops may be owned by the government, local self-government, a government undertaking, the proprietor of a firm, co-operatives or private persons (individually or jointly) or other bodies like club, trust, etc. For kerosene, 'public distribution system' will also include kerosene depots selling kerosene at controlled prices. 'Super bazaars' and co-operative stores will not generally be included under public distribution system. However, when they sell rationed commodities also at controlled prices against ration cards, they will be taken as ration shops for particular commodities. (Presentation of ration card may not, however, be obligatory for some controlled price commodities like kerosene, coal, etc.).

1.4. Sample Design

1.4.1 Outline of sample design: A stratified multi-stage design has been adopted for the 59th round survey. The first stage unit (FSU) is the census village in the rural sector and UFS block in the urban sector. The ultimate stage units (USUs) will be households in both the sectors. Hamlet-group / sub-block will constitute the intermediate stage if these are formed in the selected area.

1.4.2 Sampling Frame for First Stage Units: For rural areas, the list of villages (panchayat wards for Kerala) as per Population Census 1991 and for urban areas the latest UFS frame, will be used as sampling frame. For stratification of towns by size class, provisional population of towns as per Census 2001 will be used.

1.4.3 Stratification

1.4.3.1 Rural sector: Two *special strata* will be formed at the State/ UT level, viz.

Stratum 1: all FSUs with population between 0 to 50 and

Stratum 2: FSUs with population more than 15,000.

Special stratum 1 will be formed if at least 50 such FSU's are found in a State/UT. Similarly, special stratum 2 will be formed if at least 4 such FSUs are found in a State/UT. Otherwise, such FSUs will be merged with the general strata.

From FSUs other than those covered under special strata 1 & 2, *general strata* will be formed and its numbering will start from 3. Each district of a State/UT will be normally treated as a separate stratum. However, if the census rural population of the district is greater than or equal to 2 million as per population census 1991 or 2.5 million as per population census 2001, the district will be split into two or more strata, by grouping contiguous tehsils to form strata. However, in Gujarat, some districts are not wholly included in an NSS region. In such cases, the part of the district falling in an NSS region will constitute a separate stratum.

1.4.3.2 Urban sector: In the urban sector, strata will be formed within each NSS region on the basis of size class of towns as per Population Census 2001. The stratum numbers and their composition (within each region) are given below.

stratum 1 :	all towns with population less than 50,000
stratum 2 :	all towns with population 50,000 or more but less than 2 lakhs
stratum 3 :	all towns with population 2 lakhs or more but less than 10 lakhs
stratum 4, 5, 6,... :	each city with population 10 lakhs or more

The stratum numbers will remain as above even if, in some regions, some of the strata are not formed.

1.4.4 Total sample size (FSUs): 10736 FSUs have been allocated at all-India level on the basis of investigator strength in different States/UTs for central sample and 11624 for state sample.

1.4.5 Allocation of total sample to States and UTs: The total number of sample FSUs is allocated to the States and UTs in proportion to provisional population as per Census 2001 subject to the availability of investigators ensuring more or less uniform work-load.

1.4.6 Allocation of State/UT level sample to rural and urban sectors: State/UT level sample is allocated between two sectors in proportion to provisional population as per *Census 2001* with 1.5 weightage to urban sector subject to the restriction that urban sample size for bigger states like Maharashtra, Tamil Nadu etc. should not exceed the rural sample size. Earlier practice of giving double weightage to urban sector has been modified considering the fact that two main topics (sch. 18.1 and sch 33) are rural based and there has been considerable growth in urban population. More samples have been allocated to rural sector of Meghalaya state sample at the request of the DES, Meghalaya.

The sample sizes by sector and State/UT are given in Table 1 at the end of this Chapter.

1.4.7 Allocation to strata: Within each sector of a State/UT, the respective sample size will be allocated to the different strata in proportion to the stratum population as per census 2001. Allocations at stratum level will be adjusted to a multiple of 2 with a minimum sample size of 2. However, attempt will be made to allocate a multiple of 4 FSUs to a stratum as far as possible.

1.4.8 Selection of FSUs: FSUs will be selected with Probability Proportional to Size with replacement (PPSWR), size being the population as per population census 1991 in all the strata for rural sector except for stratum 1. In stratum 1 of rural sector and in all the strata of

urban sector, selection will be done using Simple Random Sampling without replacement (SRSWOR). Samples will be drawn in the form of two independent sub-samples.

1.4.9 Selection of hamlet-groups/sub-blocks / households - important steps

1.4.9.1 Proper identification of the FSU boundaries: The first important 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, 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).

1.4.9.2 Criterion for hamlet-group/sub-block formation: After identification of FSU, it is to be determined whether listing will be done in the whole sample FSU or not. In case the population of the selected village or block is found to be 1200 or more, it will be divided into a suitable number of 'hamlet – groups' in the rural sector and 'sub-blocks' in the urban sector as stated below.

approximate present population of the sample village/block	no. of hamlet-groups/sub-blocks to be formed
less than 1200	1 (no hamlet-groups/sub-blocks formation)
1200 to 1799	3
1800 to 2399	4
2400 to 2999	5
3000 to 3599	6
.....and so on	

For rural areas of Himachal Pradesh, Sikkim, Nagaland and Poonch, Rajouri, Udhampur, Doda districts of Jammu and Kashmir, the number of hamlet-groups will be formed as follows.

approximate present population of the sample village	no. of hamlet-groups/sub-blocks to be formed
less than 600	1 (no hamlet-groups/sub-blocks formation)
600 to 899	3
900 to 1199	4
1200 to 1499	5
.....and so on	

Two hamlet-groups / sub-blocks will be selected from a large village or block by SRSWOR. Listing and selection of the households will be done independently in the two selected hamlet-groups/sub-blocks so formed.

1.4.9.3 Formation of hamlet-groups/sub-blocks: In case hg's/sb's are to be formed in the sample FSU, the same may be always done by more or less **equalizing** population (refer to chapter two for details). Please note that while doing so, it is to be ensured that the hg's/sb's formed are clearly identifiable in terms of physical landmarks.

1.4.9.4 Listing of households: Having determined the hg's/sb's i.e. area(s) to be considered for listing, the next step is to list all the households [including those found to be temporarily locked after ascertaining temporariness of locking of households from local enquiry]. Listing and selection of households will be done separately for hg/sb 1 and hg/sb 2. The hg/sb with order of selection 1 will be listed first and that with order of selection 2 will be listed next.

1.5 Formation of Second Stage Strata (SSS) for different schedule types:

1.5.1 LHS (sch. 18.1):

1.5.1.1 Rural: Four SSS will be formed in the rural sector. SSS 1 will consist of all the households possessing land less than 0.005 hectares. SSS 2, 3 & 4 will be formed by the households possessing 0.005 hectares of land or more. These three strata will be formed as under:

From the data of NSS 48th round, the households having land area 0.005 hectares or more have been considered. Two cut –off points, X and Y, have been determined at State/UT level in such a way that 40% of these households possess land area less than X, 40% possess land area between X & Y and 20% possess land area greater than Y.

Listed households with land less than X will form SSS 2, those with land between X & Y will constitute SSS 3 and those with land more than Y will be in SSS 4.

The values of X and Y for each State/UT are given in Table 1 of Chapter two.

Thus, composition of SSS for sch. 18.1 in the rural sector is as follows:

- SSS 1: households with L less than 0.005 hectare
 - SSS 2: households with L equal to or more than 0.005 but less than X
 - SSS 3: households with L equal to or more than X but less than Y
 - SSS 4: households with L equal to or more than Y
- where L is area of land in hectares possessed by the household

1.5.1.2 Urban:

Four SSS will be formed as under:

First, three cut-off points viz. A, B & C, at State/UT level will be determined using the NSS 55th round data in such a way that 30% of the households have MPCE less than A, 30% have MPCE more than or equal to A but less than B, 30% have MPCE more than or equal to B but less than C and the rest 10% of the households have MPCE more than or equal to C.

The values of A, B and C for each State/UT are given in Table 2 Chapter two.

Thus, composition of SSS for sch. 18.1 in the urban sector are as follows:

- SSS 1: households with MPCE less than A (say, MPCE class 1)
- SSS 2: households with MPCE equal to or more than A but less than B (say, MPCE class 2)
- SSS 3: households with MPCE equal to or more than B but less than C (say, MPCE class 3)
- SSS 4: households with MPCE equal to or more than C (say, MPCE class 4)

1.5.2 AIDIS (sch. 18.2):

1.5.2.1 **Rural:** Seven SSS will be formed in the rural sector as under:

- SSS 1: indebted households belonging to rural LHS SSS 1
- SSS 2: not indebted households belonging to rural LHS SSS 1
- SSS 3: indebted households belonging to rural LHS SSS 2
- SSS 4: not indebted households belonging to rural LHS SSS 2
- SSS 5: households indebted to institutional agencies with or without being indebted to non-institutional agencies and belonging to rural LHS SSS 3 & 4
- SSS 6: households indebted to non-institutional agencies only and belonging to rural LHS SSS 3 & 4
- SSS 7: not indebted households belonging to rural LHS SSS 3 & 4

1.5.2.2 **Urban:** Seven SSS will be formed as under:

- SSS 1: indebted households belonging to MPCE class 1
- SSS 2: not indebted households belonging to MPCE class 1
- SSS 3: indebted households belonging to MPCE class 2
- SSS 4: not indebted households belonging to MPCE class 2
- SSS 5: households indebted to institutional agencies with or without being indebted to non-institutional agencies and belonging to MPCE classes 3 & 4
- SSS 6: households indebted to non-institutional agencies only and belonging to MPCE classes 3 & 4
- SSS 7: not indebted households belonging to MPCE classes 3 & 4

'Indebtedness' of a household for second stage stratification will be decided as per the criteria given in para 2.4.7 of Chapter Two.

1.5.3 **SAS (sch. 33):** Schedule 33 will be canvassed in the *rural sector only*. While all States/UTs will be covered in *central sample*, only few States will participate in *state sample* (refer to para 1.1.5). The composition of second-stage strata will be as follows:

- SSS 1: households belonging to rural LHS SSS 1 and engaged in farming activity during last 365 days
- SSS 2: households belonging to rural LHS SSS 2 and engaged in farming activity during last 365 days
- SSS 3: households belonging to rural LHS SSS 3 and engaged in farming activity during last 365 days
- SSS 4: households belonging to rural LHS SSS 4 and engaged in farming activity during last 365 days

1.5.4 Consumer Expenditure (sch. 1.0):

Rural:

SSS 1: households possessing land $< Y$

SSS 2: households possessing land $\geq Y$

Urban:

SSS 1: households belonging to MPCE classes 1, 2 and 3

SSS 2: households belonging to MPCE class 4

where Y is as specified in para 1.5.1.1 of this chapter. Values of Y are given in Table 1 of Chapter two.

Out of the four households selected for sch. 1.0, two households will be covered in visit 1 and two in visit 2.

1.6 Allocation and selection of sample households: Two households will be selected from each SSS of each type of schedule. In case of hamlet group/ sub-block formation, one household will be selected from each (hg/sb) \times SSS. The total number of households to be surveyed in an FSU is given below for each schedule type:

schedule	rural	urban
18.1	8	8
18.2	14	14
33	8	-
1.0	4	4

Sample households for each type of schedule will be selected by SRSWOR in each SSS of each hg/sb.

1.7 Shortfall of households to be surveyed: For schedule 18.1, 18.2, 33 and 1.0, shortfall of households available in the frame of any SSS will be compensated from the same SSS of the other hg/sb or from the other SSS of the same or other hg/sb where additional household(s) are available. The procedure is as follows:

Step 0: Allocate the required number of households to each SSS wherever possible and identify the SSS having shortfall.

Step 1: Compensate from the same SSS of the other hg/sb, if there is hg/sb formation. Otherwise, go to Step 2.

Step 2: Find the SSS where additional households are available following the priority order given below and compensate.

SSS having shortfall	priority order of SSS for compensation
a) Schedule 18.1 and 33	
1	2, 3, 4
2	3, 1, 4
3	4, 2, 1
4	3, 2, 1
b) Schedule 18.2	
1	3, 5, 6, 2, 4, 7
2	4, 7, 1, 3, 5, 6
3	5, 6, 1, 2, 4, 7
4	7, 2, 1, 3, 5, 6
5	6, 1, 3, 2, 4, 7
6	1, 3, 5, 2, 4, 7
7	2, 4, 1, 3, 5, 6

If there is hg/sb formation, priority order of SSS will be maintained but between the two hg/sb of a particular SSS, first choice will be the one in which the shortfall occurred failing which other hg/sb will be taken up.

For example, if short-fall is in SSS 1 of sch. 18.1, compensation will be made from SSS 2, failing which from SSS 3 and so on. The resulting number of households (h) for each SSS will be entered at the top of relevant column(s) of block 4 and also in col.(6) against the relevant SSS × (hg/sb) of block 5.

For schedule 1.0, the procedure will be same except that choice will be limited to SSS 1 and SSS 2 only.

Some illustrations on compensation of shortfall are given below:

(a) FSU without hg/sb formation

Example 1 (schedule 18.1 or 33)

SSS	H	Step 0	Step 2	h
1	1	1*		1
2	15	2	1+1	4
3	0	0*		0
4	3	2	1	3
total	19	5	3	8
shortfall	–	3	0	×

Example 2 (schedule 18.2)

SSS	H	Step 0	Step 2	h
1	1	1*		1
2	15	2	1+2+2+2	9
3	0	0*		0
4	3	2		2
5	0	0*		0
6	0	0*		0
7	7	2		2
total	19	7	7	14
shortfall	-	7	0	×

(b) FSU with hg/sb formation

Example 3 (for schedule 18.2)

hg/sb	SSS	H	Step 0	Step 1	Step 2	h
1	1	3	1		1	2
	2	0	0*			0
	3	25	1			1
	4	1	1			1
	5	0	0*			0
	6	0	0*			0
	7	1	1			1
	total	30	4		1	5
2	1	7	1		1+1	3
	2	0	0*			0
	3	15	1			1
	4	0	0*			0
	5	0	0*			0
	6	9	1	1	1	3
	7	2	1		1	2
	total	33	4	1	4	9
Total		63	8	1	5	14
Shortfall		-	6	5	0	-

* indicates the SSS having shortfall

The procedure for compensation for schedule 1.0 may also be made following the above procedure.

Table 1: Distribution of sample villages and blocks for NSS 59th 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	676	432	244	676	432	244
Arunachal Pradesh	128	92	36	128	92	36
Assam	360	296	64	360	296	64
Bihar	592	504	88	592	504	88
Chhatisgarh	192	140	52	192	140	52
Goa	28	12	16	44	20	24
Gujarat	332	172	160	332	172	160
Haryana	192	120	72	192	120	72
Himachal Pradesh	172	148	24	172	148	24
Jammu & Kashmir	296	196	100	592	392	200
Jharkhand	256	180	76	256	180	76
Karnataka	452	256	196	452	256	196
Kerala	452	300	152	452	300	152
Madhya Pradesh	480	312	168	480	312	168
Maharashtra	848	424	424	1064	532	532
Manipur	184	124	60	368	248	120
Meghalaya	128	92	36	176	140	36
Mizoram	264	132	132	264	132	132
Nagaland	64	48	16	96	48	48
Orissa	308	244	64	308	244	64
Punjab	288	164	124	288	164	124
Rajasthan	488	336	152	488	336	152
Sikkim	88	72	16	88	72	16
Tamil Nadu	820	412	408	820	412	408
Tripura	168	128	40	168	128	40
Uttar Pradesh	1188	852	336	1188	852	336
Uttaranchal	88	56	32	88	56	32
West Bengal	800	504	296	800	504	296
A. & N. Islands	64	36	28	0	0	0
Chandigarh	36	8	28	36	8	28
Dadra & Nagar Haveli	24	16	8	0	0	0
Daman & Diu	16	8	8	16	8	8
Delhi	200	12	188	400	24	376
Lakshadweep	16	8	8	0	0	0
Pondicherry	48	12	36	48	12	36
all-India	10736	6848	3888	11624	7284	4340