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A data-shaped hole

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The absence of Census and household consumer expenditure survey data has reduced policymaking in India to shooting in the dark



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FRAMING POLICY IN the absence of data is like giving prescription sans diagnosis. The approach is flawed, even if one trusts the Good Doctor's instincts to get it right most of the time without seeing the patient.

That's what is happening with the Census and Household Consumer Expenditure (HCE) survey. India never missed conducting a single decennial Census between 1881 and 2011, including in 1941 at the height of World War II. HCE surveys, providing granular data on consumption of food and non-food items based on large nationwide household samples, were carried out every five years or less — in 1972-73, 1977-78, 1983, 1987-88, 1993-94, 1999-2000, 2004-05, 2009-10 and 2011-12.

However, there's been no Census after 2011. The National Statistical Office did an HCE survey in 2017-18, but its findings were junked and the results not released.

We are now told India's population will hit 1,428.6 million by mid-2023, overtaking China's 1,425.7 million for the first time. But these are United Nations projections, not actual counting of heads, that use data from past censuses and estimates of fertility, mortality and international migration. Moreover, the Census isn't a mere population enumeration exercise. It is a treasure trove of information — on everything from housing conditions and household amenities to urbanisation, inter and intra-state migration flows, and gender, age, linguistic and religious profiles — most vital for effective policy formulation and economic analysis.

Today, we also have a situation where claims and counterclaims are being made on how much poverty has reduced or risen in the last one decade — without any real data on consumption by different fragile classes of the population. Everyone's telling stories relying on imagined or partial numbers. Even the Centre for Monitoring Indian Economy's longitudinal Consumer Pyramids Household Survey only tracks monthly values and not actual quantities consumed of some 153 items.

Worst of all is the cavalier attitude, bordering on hubris, of the government agencies responsible for undertaking the Census and HCE surveys on time, besides releasing the data generated. Remember, this is a country known for having built an independent, robust, credible and transparent statistical system from the time of P C Mahalanobis and C R Rao.

The sheer ludicrousness of things can be highlighted through statistics relating to milk consumption and official production estimates. The 2011-12 HCE survey revealed the monthly per capita consumption of milk at 4.33 litres for rural and 5.42 litres for urban India. These translated into a daily per capita of 149 gm and 186 gm respectively (1 litre=1.03 kg) or a simple average of 167.5 gm.

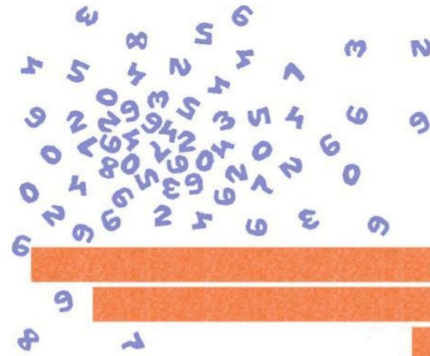
The 167.5 gm average consumption was well below the daily per capita milk production estimate of 289 gm for 2011-12 by the department of animal husbandry and dairying (DAHD). The difference can partly be attributed to the HCE survey covering only milk consumed by households, both directly or transformed at home into curd, lassi, butter, ghee, paneer, etc. It excludes the milk consumed by businesses such as tea shops and hotels or sweetmeat, ice-cream, chocolate and biscuit makers. But even if such con-

PER CAPITA CONSUMPTION AND AVAILABILITY OF MILK

	CONSUMPTION			AVAILABILITY*
	Rural	Urban	Average	
1993-94	135.27	167.89	151.58	186
1999-20	130.12	175.1	152.61	214
2004-05	132.87	175.44	154.16	233
2011-12	148.77	186.16	167.46	289
2021-22	-	-	-	444

*Household Consumer Expenditure surveys; **Department of Animal Husbandry & Dairying.

(Gram per day)



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sumption was taken at 50 per cent over and above that by households, it would add up to just over 251 gm.

The accompanying table shows per capita milk consumption based on HCE surveys from 1993-94 to 2011-12, along with the DAHD's estimates of per capita production for these years. It can be seen that the gap between the two has only widened.

Now, it's possible that the HCE surveys underestimate consumption. But this can only be by a certain factor; the gap between the survey-based per capita household consumption and estimated per capita production cannot keep increasing. For 2021-22, the DAHD has estimated per capita milk availability at a whopping 444 gm or 431 ml per day, which comes to nearly 2.2 litres for a family of five. And this is the average for India's population — across states, rich and poor, the young, the old and babies. The DAHD has estimated daily per capita production way higher at 1,271 gm in Punjab, 1,150 gm in Rajasthan and 1,081 gm in Haryana. That's 5.2-6.2 litres/day for an average family!

It is a moot point how many Indian households would spend so much on a single food item costing Rs 40-60 per litre. While the poor certainly don't have the money, the rich are constrained by their stomachs. Nature or society may impose no limits to income and wealth accumulation, but this cannot extend to the quantity of milk any individual can digest.

Even if the 431-ml per capita figure includes consumption by businesses, and that is liberally assumed at 50 per cent over and above that by households, the resultant average of 288 works out to almost 1.5 litres per family per day. The reality closer to the ground might be 1.5 litres every two days.

The DAHD's data shows the country's milk production rising from 137,69 to 221,06

Production data has to ultimately reflect in consumption. How can supply grow at 6.1 per cent if demand is increasing by only 3-3.5 per cent? Milk is probably just one example where official output numbers are out of sync with available or derived consumption data.

million tonnes between 2013-14 and 2021-22, with an average annual growth rate of 6.1 per cent. During the same period, however, average liquid milk sales of cooperative dairies have grown by just 3.6 per cent per year. The sales turnover growth of India's top 12 private dairy companies has averaged 7.1 per cent annually at current prices and 3.1 per cent after netting out 4 per cent wholesale inflation in manufactured dairy products for this period.

Production data has to ultimately reflect in consumption. How can supply grow at 6.1 per cent if demand is increasing by only 3-3.5 per cent? Milk is probably just one example where official output numbers are out of sync with available or derived consumption data. In the absence of any HCE survey after 2011-12, one is being forced to believe whatever the Good Doctor says — including that Uttar Pradesh alone (lately, Rajasthan too) produces 50 per cent more milk than New Zealand, the world's largest dairy commodities exporter.

Milk is also important for another reason. Praduman Kumar and other economists have estimated every 1 per cent rise in household incomes to generate over 1.6 per cent additional consumption demand for milk and milk products in India. That income elasticity of demand is even more, at 2-2.3, for low income and very poor households. If milk consumption is growing only at 3-3.5 per cent — the same may apply to other protein and micronutrients-rich foods — it only points to real incomes not growing like they did during 2000-15.

But whether that's indeed the case we can say only when there is data. No ruling dispensation should be allowed to get away by not providing that data. The Good Doctor isn't good enough.

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