

CHAPTER1

HISTORICAL BACKGROUND

Economic Census is the major source of statistics on economic activities in the country. It is essential for developing a sample frame for conducting various economic surveys and to develop directories of large and small scale manufacturing establishments, cinemas, hotels, real estate agents etc. The economy of Pakistan has under gone enormous changes during the past two decades. A large number of new economic enterprises have emerged, whereas, many establishments have ceased to exist. In order to know true picture of the economy, it is imperative to conduct economic census covering all establishments and households economic activities whether running with or without any profit / gain. It was therefore decided in the 5th meeting of the National Statistical Council held on 3rd August, 1998 that there is a need for carrying out economic census, surveys and research studies for improvement of national accounts statistics due to changing economic scenarios. The National Statistical Council therefore directed the Federal Bureau of Statistics to conduct an economic census and other surveys / research studies. The census provides upto-date database for all such activities and will help to develop the sampling frame for conducting various surveys. This will play an important role in the improvement of national accounts statistics and will also be useful to replace the base year due on 2005-06 for estimation of various economic indices.

The comprehensive data base or to say sampling frame developed from the census data will enable FBS to conduct a large number of economic surveys such as Large Scale Manufacturing Industries (LSMI) Survey, Small & Household Manufacturing Industries (SHMI) Survey, Distributive Trade (Whole Sale, Retail Trade, Hotel & restaurants etc) Survey, Services (Business, Communication, Social & Personal Services) Survey, etc. Following additional benefits will also accrue with the completion of the census.

- a) Updation of urban sampling frames.
- b) Field operation strengthened, accelerated and enhanced the experience of the field staff in addition.
- c) Various Government agencies will also use the census information for framing economic policies.

The Economic Census has been planned to be conducted from April, 2001 to December, 2003 throughout Pakistan, 26,144 enumeration blocks in urban areas and 45,817 villages in rural areas excluding FATA have been covered. About 1388 enumerators had remained engaged to carry out the census, which includes 1088 contract and 300 regular enumerators working in Regional / Field offices of FBS. The first three years of census devoted for listing of all establishments and households enumeration of all establishments and households engaged in any kind of economic activity, editing / coding and data entry. All sectors of economy and households economic activities have been covered in the census. Information on (a) employment size, (b) value of inputs, (c) value of output and (d) value of fixed assets have been collected for all economic activities, editing, coding and processing, tabulation and printing of reports and directories are planned to be carried out.

Main features of the census are detailed below: -

<i>Design:</i>	Complete coverage of all establishments and household economic activities throughout the country (excluding agriculture).
<i>Method of Data collection:</i>	Interview approach through enumerators.
<i>Field Operation:</i>	April, 2001 – December, 2003

OBJECTIVES

The main objectives of the Economic Census are as under: -

- i. To develop comprehensive sampling frame to conduct a large number of economic surveys for national accounts such as Large Scale Manufacturing Industries (LSMI), Small & Household Manufacturing Industries, Distributive Trade Survey (Whole Sale, Retail Trade, Hotels & Restaurants etc.), (Business, Communication, Social & Personal Services) Services Survey.
- ii. To be used as benchmark for the preparation of future projections with regard to the number of establishments by type of economic activity and employment size.
- iii. To find out the value of goods, services produced, employment and employment cost, value of inputs, fuel & electricity, taxes paid and improvements made in the fixed assets of the establishments/households engaged in any type of non-agricultural economic activity.
- iv. To prepare directories of establishments engaged in manufacturing activities, storage, warehouses, real-estate agents, brick kilns, hotels, restaurants, security agencies, advertising firms, cinemas, finance & insurance and non-profit institutions etc. These directories will be used as sampling frames for conducting sample surveys in the subsequent years.

SCOPE AND COVERAGE

All Enumeration Blocks in the urban areas and villages in the rural areas in the country engaged in any kind of economic activity on regular, casual, seasonal and adhoc basis during the reference period i.e. 1999-2000 have been enumerated. However, census operation could not be undertaken in FATA due to prevailing unrest situation in these areas after Afghan war. About 1388 field enumerators were engaged to carry out the field enumeration in the entire country. The Economic Census was conducted under General Statistics Act-1975, which ensures the confidentiality of the data collected through Economic Census.

FRAME

Economic Census covered all household units, small and large establishments, which were engaged in different sectors of the economy such as mining and quarrying; manufacturing; electricity, gas and water, constructions, wholesale and retail trade, hotels and restaurants, transport, storage and communications, finance, insurance, real-estate and business services, community, social and personal services etc. In agriculture sector, poultry farming, fish farming and live stock farming which were functioning on commercial basis have been covered.

The Federal Bureau of Statistics has its own urban area frame in which all cities / towns have been divided into small compact area called Enumeration Block each comprising of approximately 200 to 300 households each. An Enumeration Block is demarcated physically by a map and its description is given on the prescribed proformae. Similarly, the list of Mouzas / Dehs / Villages published in the District Census Reports prepared by the Population Census Organization (PCO) at the time of 1998 Population Census was used as area/list frame for holding census in rural areas of the country.

The province-wise coverage by urban and rural areas of the country is as under: -

Table-A
PROVINCE-WISE COVERAGE OF ECONOMIC CENSUS

Area	Rural			Urban			Total No. of filled-in schedules	
	No. of Villages	Filled-in schedules		No. of Enumeration Blocks	Filled-in Schedules		No.	%
		No.	%		No.	%		
Punjab	25,955	982,455	68.3	14,538	1,105,949	61.1	2,088,404	64.3
Sindh	6,771	145,579	10.1	8,923	440,863	24.4	586,442	18.0
N.W.F.P	7,302	279,240	19.4	1,890	201,245	11.1	480,485	14.8
Balochistan	5,657	26,008	1.8	469	47,803	2.6	73,811	2.3
Islamabad	132	6,061	0.4	324	14,279	0.8	20,340	0.6
Total	45,817	1,439,343	100.0	26,144	1,810,139	100.0	3,249,482	100.0

OUT OF SCOPE

For operational reasons, mobile units, such as taxi, rickshaw and tonga operators, hawkers, peddlers, cobblers, street vendors other small businesses without a permanent identifiable location and mines out side the boundaries of villages / blocks were not covered / enumerated in the census.

CONCEPT & DEFINATIONS

Structure

A structure is a separate building, which either has open space on all four sides or is separated from other buildings by dividing walls. A structure may consist of:

- One or more dwelling units or
- One or more non-dwelling units or
- A combination of one or more dwelling units and non-dwelling units. Examples of structures are a building, house, hut (Jhuggi), mill, factory, godown, shed etc. boat(s) and tent(s) used as dwelling and or non-dwelling purposes which are immobile for practical purposes were considered structure (s).

Establishment

An establishment is an economic unit under single ownership or control, viz: under a single legal entity, which produces goods or services. It is generally a single physical location and is engaged in one or predominantly one type of economic activity. Examples of an establishment are a factory, a retail store, an office, a bank etc. The kind of activity unit, although different from the establishment, for this census is treated as establishment. Unlike the establishment, the kind of activity unit is not restricted in respect of the geographical area in which the given type of activity is carried out by a single legal entity. In cases such as construction, transportation and communication, a single legal entity will carry out the same kind of activity over a wide geographic area.

Household

Household may engage in any kind of activity not merely for consumption. When individual members of household engage in economic activity, they are treated as acting on behalf of the household. This includes all activities of producing goods and services for sale or barter in the market. Household (s) can be engaged in any kind of activity e.g. agriculture, manufacturing, construction, retail trade, or production of other kind of services education, medical care, launders, hair cutters, beauticians, carpenters and shoe repairers etc.

Corporate Establishments

A corporation (corporate establishments) is an entity created by process of law for the purpose of producing goods or services for the market and that may be a source of profit or financial gain for its owner(s). It is collectively owned by shareholders who have the authority to appoint Directors responsible for its general management. These can be described by different names e.g. corporations; incorporated enterprises, public limited companies, limited liability company / partnership etc. Corporations can be financial establishments or non-financial establishments.

Government (Federal/Provincial/ Semi-Government Institutions)

The Government comprises all units of Central and Provincial Governments, Local Bodies and Social Security Fund. This sector does not include public sector corporations and quasi corporations even when all the equity is owned by Government units.

Shops/Establishments

All shops/establishments taking part in the service (such as launders, barbers etc.) and trading (such as grocers, meat, clothing and fruit shops etc.) activities will be covered here.

Non-Profit Institutions (NPI)

Non-Profit Institutions are legal or social entities created for the purpose of producing goods and services, whose status does not permit them to be a source of income, profit or financial gain for the units that establish, control or finance them. NPIs can be market and non-market producers. They can charge for the goods and services produced equivalent to the cost of their production. NPIs can be serving to (i) Household (ii) Business and (iii) Government.

METHODOLOGY

Federal Bureau of Statistics is a national statistical organization responsible for collecting, processing, compilation and dissemination of statistics. It has thirty four (34) Regional/Field Offices located all over the country. These offices are equipped and manned with regular and trained field staff for collection of data through censuses/surveys.

The data of Economic Census was collected by direct interview method by field staff of FBS from all urban and rural areas of country. Military restricted areas, FATA and services out side the boundaries of villages / blocks were excluded from the scope of the census. The enumeration was undertaken block to block in urban areas and village to village in case of rural areas. Before starting field operation all the field enumerators were provided training on the questionnaire of E.C. The questionnaire was tested in the field for possible errors and difficulties faced by the field staff, which discussed in the wrap up session and remedial measures were taken accordingly for smooth data collection. All out efforts were made to observe both coverage and quality of data.

Field operations of Economic Census were carried out in three stages. In the first stage, urban area frame was updated due to rapid expansion in the urban areas. A large number of rural areas have also been urbanized due to which it was felt necessary to form enumeration blocks in these areas for accurate coverage of economic activities. More-over, the existing enumeration blocks were split up into parts due to an increase in households / establishments in these areas.

In the 2nd stage, the listing of all households and establishments within the Enumeration Block were carried out before actual enumeration of targeted households / establishments. In the listing procedure, it was ensured that no household / establishment within enumeration block is left out.

In the 3rd stage all households where any kind of economic activity is being carried out and establishments that were functioning during the reference period were covered and a questionnaire designed for Economic Census was filled-in for those households / establishments.

QUESTIONNAIRE / MANUAL & TABULATION PLAN / MONITORING /

DEPARTMENTAL COMMITTEES

The Economic Census questionnaire was finalized in consultation with the Ministry of Industries and Production, Central Board of Revenue and National Data Base and Registration Authority (NADRA) for taking care of their data requirements (appendix-I). The Chairmen of the leading Chambers of Commerce and Industries of all the four provinces were also consulted before launching the census operation to take them into confidence and to give assurance that the census data will a no way be a counter check or substitute of the tax survey. They were further assured that data will not be used except statistical purposes.

Monitoring Committees from Statistics Division. Population Census Organization (PCO) and Agriculture Census Organization (ACO) were also formed for assessing the quality and coverage of data collected by making field visits as well as to recommend the action for boosting up progress of the census.

Senior Officers from field and headquarters also made frequent visits to solve field problems and seek cooperation of the problematic establishments regarding the objectives and importance of the census.

DATA PROCESSING AND EDITING

Soon after data collection, the supervisors in the respective Regional/Field Offices manually reviewed the filled-in questionnaires and necessary corrections, omissions and clarifications were sought at the spot, if any. The filled-in schedules were also checked for completeness, consistency and were referred back to the respective field offices for correction where need arised. The filled-in schedules were edited and coded at headquarter by the trained staff deployed in the subject matter section.

During data entry process, further editing of computer identified errors by applying computer edit checks, data ranges in numerical values were done to eliminate erroneous data as a result of mistakes made during coding. The census record were edited and corrected through a series of computer processing stages.

LIMITATIONS:

Initially the Economic Census was to be undertaken during April, 2000 to March, 2002. However, due to the reasons mentioned below, the census could not be started in time and hence lagged behind the schedule:

- Finalization of census questionnaire was delayed due to consultation with the Ministry of Industries & Production, Central Board of Revenue and National Database & Registration Authority (NADRA) as per directive of the ECNEC.
- The enumeration work was delayed as fallout of the tax survey conducted by CBR. The Minister had therefore, directed Statistics Division / FBS to first hold meeting with the leading Chambers of Commerce & Industry and take them into confidence with the assurance that the census will in no way be a counter check or substitute of the Tax Survey. This delayed the field operations by almost one year starting from April, 2001 instead of April, 2000 in the light of discussions with the Chamber of Commerce and Industry, the census was first started in rural areas, small towns and then cities.
- It was generally observed that people were hesitant to provide information on financial aspects asked for in the questionnaire due to fear of imposition of taxes etc. Especially, some of the big industries / organizations totally refused to provide information, similarly the households in urban areas had also not informed about the economic activity in their households.