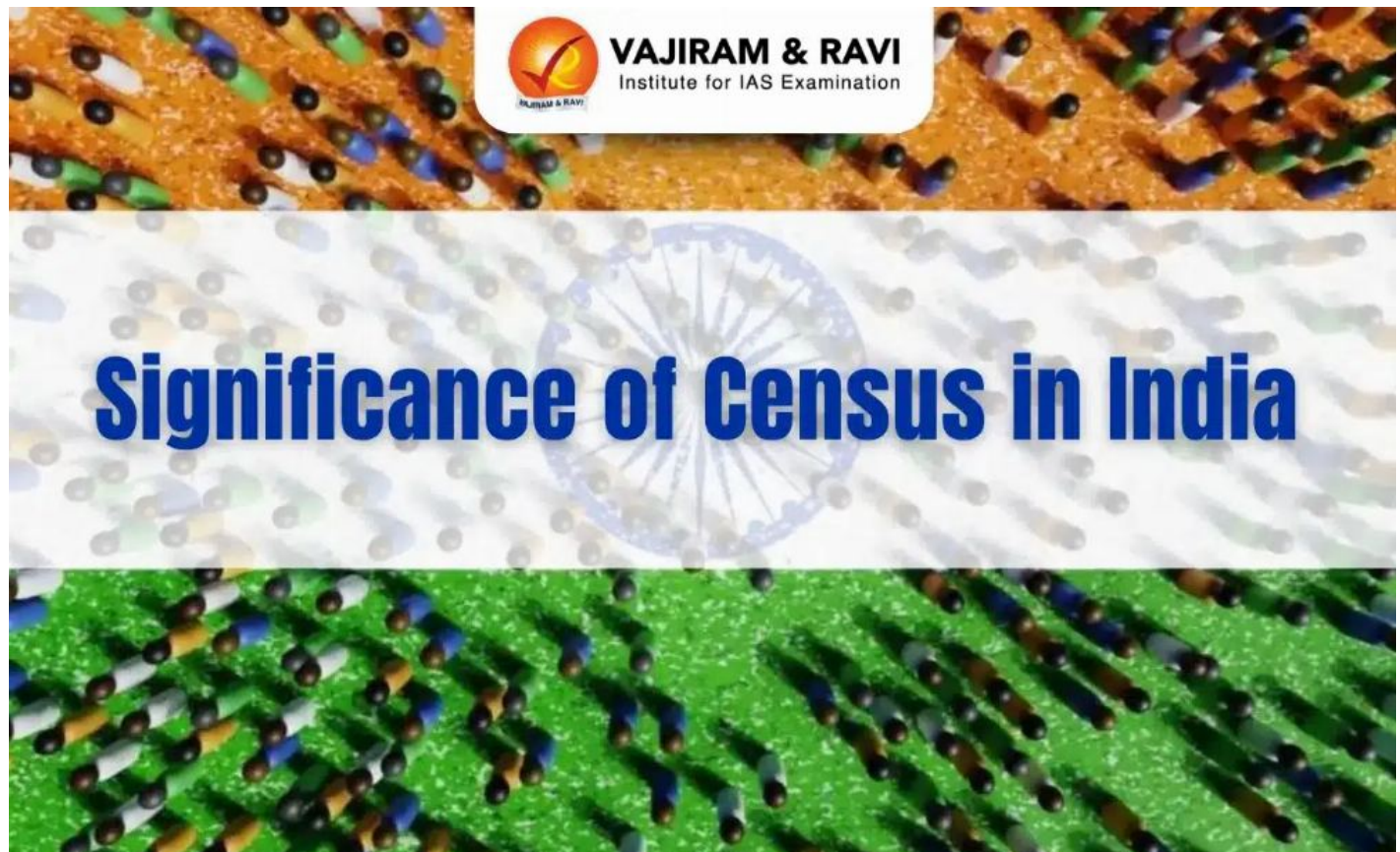


Why India's 2027 Census Matters: Economy, Governance & Policy Impact

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Significance of Census in India Latest News

- The Government of India will conduct the next **Census** in two phases during 2026 and 2027, with March 1, 2027, as the reference date.
- This breaks the country's uninterrupted decadal Census tradition since 1881, as the 2021 Census was delayed due to the Covid pandemic. The six-year delay is notably longer than in neighbouring countries (such as Pakistan, Bangladesh and Sri Lanka).
- According to the Ministry of Home Affairs, the postponement was due to the pandemic's impact on education, as about 30 lakh Census enumerators—mostly primary school teachers—could not be spared without disrupting schooling.

Census: A Cornerstone for Economy and Policymaking

- The Census remains vital for India's economic planning and governance, far beyond the immediate political debates.

Foundation for All Data Collection

- The national Census serves as the statistical bedrock for all other surveys and analyses in India, enabling accurate sampling and representation.

Comprehensive Snapshot of the Nation

- Beyond counting individuals, the Census captures detailed data on demographics, economic status, education, migration, disability, language, and more—creating a holistic picture of India.

Reality Check and Historical Record

- It acts as a mirror for the country, showing how India has evolved over time—in this case, over 16 years—and offering insights into likely future trends.

Critical for Informed Policymaking

- Census data directly influences policies, welfare schemes, and developmental planning across sectors, ensuring that decisions are grounded in actual population needs.

Role of Census in Inflation Control and Interest Rate Policy

• **Guiding Monetary Policy Decisions**

- The Reserve Bank of India's Monetary Policy Committee relies on the retail inflation rate, based on the Consumer Price Index (CPI), to decide interest rates.
- CPI reflects how prices of goods and services change, with weights assigned based on consumption patterns—like food items comprising 46% of the index.
- These consumption patterns are derived from surveys, which in turn rely on Census data to ensure accuracy.
- The Census offers a baseline of “reality” about income, location, family structure, and migration.

• **Impact on Inflation Measurement**

- Outdated Census data can skew inflation calculations.
- For instance, if food expenditure has fallen but CPI still uses older weights, it may overstate inflation, leading to unnecessarily high interest rates and slower economic growth.

• **Essential for Broader Economic Indicators**

- Beyond food inflation, accurate Census data is vital for understanding migration, urbanisation, and demand trends, informing both public policy and private sector decisions.

Migration, Urbanisation, and the Role of Census in Governance

• **Internal Migration: A Key but Overlooked Factor**

- Migration significantly affects population dynamics, yet is often ignored in projections which mainly rely on birth and death rates.
- Internal migration—mostly local—is a crucial third variable.
- **Nature of Internal Migration in India**
 - Contrary to popular belief, only 12% of internal migration is inter-state.
 - Most migration is intra-district (62%) or inter-district (26%). Rural-to-rural migration is the largest category (48%), while urban-to-urban is the fastest growing.
- **Data Gaps and Changing Realities**
 - Current migration data is outdated, based on the 2011 Census. The actual patterns may have shifted significantly, requiring fresh Census data to reveal present realities.
- **Policy Implications of Migration Trends**
 - Accurate migration data informs Budget allocations, social welfare, employment, education planning, and helps address emerging issues like language-based social divides.
- **Urbanisation: Unclear and Under mapped**
 - India's urbanisation rate is uncertain—estimates range from 30% to 70%, depending on definitions. This lack of clarity hampers targeted urban planning.
 - As cities contribute 60% of India's GDP while covering only 3% of land, understanding urban population trends is critical for reforming taxation, service delivery, and infrastructure development in urban areas.

Why There Is No Substitute for the Census

- **Surveys Depend on Census as a Base**
 - Public and private surveys require accurate, updated Census data for modelling.
 - Without it, even the best-designed surveys risk becoming disconnected from reality.
- **Rising Cost of Accuracy**
 - With time, the absence of updated Census data makes it increasingly expensive and difficult to obtain a reliable picture of India's ground realities.
- **Limitations of Administrative Data**
 - Although administrative data is growing in volume, it is often inconsistent, incomplete, and not comparable across departments or states due to differing definitions and collection methods.
- **Reliability Concerns and Bias**
 - Data gathered by government departments may be biased to avoid showing poor performance.
 - For example, NFHS 2020-21 contradicted official claims of India being Open Defecation Free, showing 30% of surveyed households lacked toilets.
- **Census as the Gold Standard**
 - Only the Census offers a consistent, objective, and comprehensive snapshot of the country, forming the foundation for all credible data-based policymaking and governance.

Source: IE

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