

Course correction – Data in a Post-Truth Age

Trust in official statistics is vital for democracy — the new policy must avoid centralisation. David Spiegelhalter, president of Royal Statistical Society in the U.K., gave a most unusual presidential address in 2017. Instead of talking about **esoteric** statistical techniques, he talked about declining trust in numbers in a post-truth society bombarded by fake news and alternative facts. He recommended to the statistical community that the best way of inspiring trust was to be trustworthy by demonstrating competence, reliability and honesty.

India has been fortunate in inheriting a statistical system from stalwarts like P.C. Mahalanobis and C.R. Rao that has historically demonstrated all three. However, with the growing demand for statistics and increasingly challenging data collection environment, the move by Ministry of Statistics and Programme Implementation (MOSPI) towards developing a National Policy on Official Statistics is most welcome.

There is much to like in this policy. It notes increasing data needs, lays down the groundwork for ethical data collection, highlights the importance of data quality and addresses the need for documentation and durable data storage. However, it also remains rooted within the confines of governmental administrative structures and does not directly address the criteria identified by Mr. Spiegelhalter. In the Indian context, each of these presents great challenge.

Competence

Sample surveys, the bedrock of Indian statistical systems, must make explicit choices about who to ask various questions as well as what to ask and how to ask. In a statistical system developed by **renowned** statisticians and econometricians, it is not surprising that much attention has been directed towards identifying the universe of respondents and sample selection. However, this is only a small part of the challenge. Given the increasing need for statistics in diverse areas, it is important that scholars from many different disciplines be involved.

The National Sample Survey (NSS) collects data on occupations and industries of workers. In 2009, it suddenly switched from older codes designed in 1968 to new series of codes developed in 2004. This change makes it difficult to differentiate between farmers and farm managers and shopkeepers and sales managers via occupational codes alone. This leaves out such a large portion of the Indian workforce that it is mind-boggling. Why? We decided to adopt international standards developed for industrial societies where self-employed farmers and shopkeepers have been swallowed up by large corporations. I suspect that if a sociologist interested in occupations was involved in overseeing this change, it might not have passed the **scrutiny**.

Reliability

How surveys are designed and questions are developed has evolved into a science that **transcends** the skill set usually employed by our statistical systems. The Reserve Bank of India has adopted an inflation-targeting approach that relies on data on inflation expectations of individuals. In a country where ASER (Annual Status of Education Report) surveys repeatedly document extremely low mathematical skills, how reliable are the data when individuals are asked to compare their expectations of inflation rates over the coming year with that in the future? We have little understanding of reliability and validity of these data, and yet they form the bedrock of our policy. Experiments designed by cognitive anthropologists, educational assessment experts and survey design specialists are needed to arrive at

the correct questions. And even then, we will need some way of estimating uncertainty surrounding these results.

Honesty

The draft policy as well as many other reports have paid great attention to the fact that data collection is increasingly being done by contractual employees and for-profit organisations. Supervising them and ensuring their honesty remains challenging. While improved technology for monitoring fieldwork such as random segment audio recording of interviews and real-time checks for detecting frauds and errors may help increase honesty, there is no substitute for empathy and experience. Whenever I talk about interviewer errors and fraud, I recall doing a health-related interview in a mosquito-infested locality. I was bravely suffering through mosquito bites until my respondent told me her husband was recovering from malaria and I simply wanted to flee her home. We expect interviewers to work under challenging circumstances and often send them out to collect data with little training and support. A **nimble** survey management structure that understands the difficulties of on-the-ground data collectors and responds appropriately to find ways of ensuring quality and honesty must form the **cornerstone** of good data collection.

The draft policy on official statistics engages with these challenges only tangentially. Instead, it chooses to follow the report of the C. Rangarajan-led National Statistical Commission (NSC) submitted in 2001 and focusses largely on coordination within different ministries at the Centre and between State governments and the Centre. A tendency to centralise authority and decision-making within well-defined structures such as the NSC forms the core of the policy statement. It also recommends that a registered society under the oversight of MOSPI be set up with Rs. 2,000 crore **endowment** that will be tasked with all government data collection and statistical analyses.

Instead of creating a statistical data ecosystem that harnesses the energy of diverse institutions and disciplines in which innovative thinking on data collection and analysis could be undertaken, this tendency towards centralisation may well isolate official statistical systems. This is quite a departure from India's illustrious history. Mahalanobis was instrumental in setting up both the Indian Statistical Institute (ISI) and what was to become the National Sample Survey Organisation. Most of the early innovations implemented in the NSS emerged from work by academics at the ISI. However, as former member of the NSS Governing Council, T.J. Rao, notes, the collaboration between academics and the NSS has weakened substantially in recent years. The proposed move would lead to even further alienation of official statistical systems from the academic and research infrastructure of the nation.

Harness diverse energies

If we are to revitalise India's statistical infrastructure, it is vitally important to harness diverse energies from academic and research institutions such as the ISI, the Indian Agricultural Statistics Research Institute, National Council of Applied Economic Research, the Tata Institute of Social Sciences, the International Institute for Population Sciences, the Delhi School of Economics, the Madras Institute of Development Studies and the National Institute of Rural Development and Panchayati Raj. Smaller, technology-savvy private sector organisations may also make important contributions in technology-driven data collection. Around the world, in diverse countries such as China, South Africa, Brazil, the U.K. and the U.S., statistical ecosystems consist of universities, research institutions and government agencies working synergistically. The proposed policy on official statistics is timely and thoughtful but it is also isolationist. Creative thinking about building **synergies** with diverse communities such as

academic and research institutions would strengthen it and reduce the burden on the NSC, leaving it free to devote greater attention to developing quality control parameters and to play an oversight and coordination role.

The phrase 'figures don't lie, but liars figure' seems to sum up the motif of a post-statistics society. A report in The Guardian in 2017 noted declining trust in official statistics around the world and argued that it damages democracy by **jeopardising** public knowledge and public argument. The draft National Policy on Official Statistics offers a great start for **fostering** trust in statistics but enhancing its inclusiveness will go a long way towards encouraging competence, reliability and honesty in public statistics.

Meanings of Difficult Words :

1. Cornerstone (noun): Something of great importance that everything else depends on.

Synonyms: Foundation, Fundament, Mainstay, Keystone, Basis, Core

Example: A national minimum wage remained the **cornerstone** of policy.

2. Endowment (noun): Gift of money that is made to an institution such as a school. (It is a gift of money that is made to an institution or community in order to provide it with an annual income.)

Synonym: Donation, Grant, Charity, Alms, Benefaction, Funding

Example: We could have stopped paying into the **endowment** at that stage, but another problem with the policies is that the charges are loaded at the front end..

3. Synergy (noun): the interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate effects .

Synonyms: Collaboration, Cooperation, Symbiosis, Alliance, Union, Teamwork

Antonyms: Divorce, separation, discord.

Example: Investors have already begun to doubt the potential **synergies** and question the impact on earnings.

4. Foster (verb): To encourage the development or growth of ideas or feelings.

Synonyms: Promote, Encourage, Embolden, Advance

Antonyms: Discourage, Hinder, Inhibit, Suppress, Impede

Example: Weak government damages growth by **fostering** uncertainty.

5. Jeopardize (verb) : To put something in danger of loss harm or failure.

Synonyms: Imperil, Endanger, Menace, Threaten, Hazard

Antonyms: Protect, Safe Guard, Preserve, Shelter

Example: The 1973 oil crisis and political changes within member states threatened to **jeopardize** agreement on regional policy.

6. Esoteric (adjective): Intended for or likely to be understood by only a small number of people with a specialized knowledge or interest. (not openly admitted; private)

Synonyms: Abstruse, Arcane, Recondite, Inscrutable, Cryptic

Antonyms: Exoteric, Comprehensible, Perspicuous, Superficial, Shallow

Example: There was something about his **esoteric** interests and unaffected grin that drew me in.

7. Renowned (adjective): Famous for something. (known or talked about by many people; famous.)

Synonyms: Illustrious, Eminent, Notorious, Famed, Popular, Distinguished

Antonyms: Common, Anonymous, Nameless, Obscure,

Example: She was **renowned** for her fine seamstress abilities down through the years.

8. Scrutiny (noun): The careful and detailed examination of something: (critical observation or examination.)

Synonyms: Perusal, Audit, Probe, Inquisition, Exploration, Inspection

Antonyms: Glimpse, Glance, Cursory Look, Peep, Scan

Example: The small percipient eyes are screwed up, and wrinkled from his repeated minute **scrutinies** .

9. Transcend (verb): Be or go beyond the range or limits of (something abstract, typically a conceptual field or division).

Synonyms: Eclipse, Surpass, Surmount, Prevail, Outclass, Overcome

Antonyms: Lose, Fail, Surrender, Fail

Example: There is nothing that **transcends** God so nothing is greater than his essence.

10. Nimble (adjective): Quick and exact either in movement or thoughts.

Synonyms: Agile, Quick, Spry, Lissom, Lithe, Dexterous

Antonym: Lumbering, Clumsy, Sluggish, Awkward, Stupid

Example: He has produced a set of seven steps to keep your mind **nimble**, steps which may even postpone the onset of dementia, but which at least will probably give your mind a lift.

WORD OF THE DAY

Transmogrify (verb)

Meaning:- To change or transform into a different shape, esp a grotesque or bizarre one

Synonyms: Transfigure, metamorphose, reorganize, switch over.

Antonym: Increase, stagnate, preserve, keep, refuse.

Example: In the play, the actor suddenly transmogrified into a monster.

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rise correction – **Goan roulette**

The State needs political stability to be able to crack down on rent-seeking

When Pramod Sawant took office dramatically in the early hours of Tuesday as Chief Minister, it was the 23rd time that the regime in Goa changed since 1963, excluding five spells of President's Rule. Mr. Sawant's legislative majority is far from clear and the longevity of his government remains a subject of speculation. The State voted a hung Assembly in 2017, with the BJP winning fewer seats than the Congress. The machinations that led to the installation of a BJP-led government headed by Manohar Parrikar did not match up to any high standards of democracy. Parrikar's image acted as a veneer for his party's less than honourable pursuit of power. He was a moderate in the Hindutva party and reached out to Christians, who constitute 25% of the population. His return to the State after leaving the Union Cabinet was a condition set by parties and independents for supporting the BJP. He was able to considerably insulate himself from the afflictions of Goa's politics. With his passing, politics in Goa could be less restrained. Its politicians should strive hard to prove the sceptics wrong. History, of course, does not counsel optimism.

Multiple social and economic factors contribute to the volatility. Goa's population, as per Census 2011, is just 14.59 lakh, and it is one of the smallest States also in terms of area. There are 40 Assembly constituencies, relatively small in size; most have less than 30,000 voters. Besides the Congress and the BJP, the Maharashtrawadi Gomantak Party, the Goa Forward Party and the Nationalist Congress Party are represented in the current Assembly. The main political contest is between the BJP and the Congress, but given the small sizes of constituencies and the close contests, the scope for manipulation of the electoral process is very high. Seasoned political players have perfected the art of setting up multi-cornered contests by fielding independents and fringe political outfits that fragment the votes and turn the tide to their benefit. Goa is the place where

the many ills of Indian democracy play out in a stark manner. Land is scarce, with tourism being the mainstay of the economy. Mining, which used to be the other major driver of the economy, has been stalled by the Supreme Court since February last year. There are numerous avenues for political patronage, rent-seeking and generation of dirty money. The political system, rather than acting as a counterweight to the hazardous forces that its economy and geography generate, often ends up accelerating them. A **government** with a wafer-thin majority is unlikely to address these systemic ills.

Meanings of Difficult Words :

- **Roulette** - a game of chance in which a small ball is dropped onto a wheel that is spinning and the players guess in which hole it will finally stop
- **Stability** - a situation in which things happen as they should and there are no harmful changes
- **Crack down** - to start dealing with someone or something much more strictly
- **Take office** - to start an official job
- **Dramatically** - in a sudden and surprising way that is easy to notice
- **Early hours** - the period of time between midnight and the very early morning
- **Regime** - a system or form of government
- **Excluding** - used for saying that you are not including someone or something in what you are saying
- **Longevity** - the fact of having a long life or existence
- **Speculation** - ideas or discussion about why something has happened or what might happen
- **Hung assembly** - an assembly in which no party has won enough seats to control the parliament and form the government
- **Machinations** - secret, complicated, and clever plans and actions intended to achieve an aim
- **Veneer** - a pleasant appearance, or a polite way of behaving that is not sincere
- **Pursuit** - the process of trying to achieve something
- **Moderate** - neither very great nor very small in amount, size, strength, or degree
- **Considerably** - a lot
- **Insulate** - to protect someone from unpleasant knowledge or harmful experiences
- **Affliction** - a serious problem
- **Restrained** - controlled and not emotional
- **Sceptic** - someone who has doubts about things that other people think are true or right
- **Counsel** - to give someone advice about what to do in a particular situation
- **Optimism** - a tendency to be hopeful and to expect that good things will probably happen
- **Volatility** - the quality or state of being likely to change suddenly, especially by becoming worse
- **Census** - an occasion on which government officials count the people who live in a country and record other information about them
- **Constituency** - a division of a country that elects a representative to a parliament
- **Relatively** - in comparison with someone or something similar
- **Manipulation** - behaviour that influences someone or controls something in a clever or dishonest way
- **Fringe** - the outer edge of something
- **Play out** - to develop or end in a particular way
- **Stark** - used for describing an unpleasant fact or situation that is very obvious or impossible to avoid

- **Scarce** - if something is scarce, there is not very much of it
- **Mainstay** - the person or thing that something depends on most in order to continue or be successful
- **Numerous** - existing in large numbers
- **Patronage** - help or money that is given to a person or organization
- **Dirty money** - money that someone gets in an unfair, illegal, or dishonest way
- **Counterweight** - a weight that is equal to another weight and creates a balance
- **Hazardous** - dangerous, especially to people's health or safety
- **Accelerate** - to happen or make something happen at a faster rate
- **Wafer-thin** - extremely thin
- **Address** - to give attention to or deal with a matter or problem

Course correction – Resolution, at last: on Essar Steel case

Essar Steel case has clarified many aspects of the Insolvency and Bankruptcy Code process

The National Company Law Tribunal's approval of ArcelorMittal's bid for the insolvent Essar Steel Ltd. is significant for several reasons. First, the Rs. 42,000-crore bid will be the largest single recovery of debt under the fledgling Insolvency and Bankruptcy Code (IBC) enacted in 2016. Assuming that the original resolution plan submitted to the NCLT stands, the secured lenders will manage to recover about 85% of their dues. The 15% haircut that they will suffer should be seen against the extraordinarily high amount of over Rs. 49,000 crore that is due from Essar Steel. Second, the case, which took 583 days to resolve, compared to the 270 days provided under the Code, has tested several aspects of the law and set important precedents for the future. Among the aspects that have been clarified during the long resolution process for Essar Steel are the eligibility of those who have defaulted in repaying their borrowings elsewhere to bid, the time-limits for bidding and the place of unsecured, operational creditors under the resolution mechanism. Finally, this was seen as a marquee case for the IBC, given the high profile of the company and its promoters, and the amount at stake. The battle royal between multinational players to acquire the insolvent company was proof, if any were needed, of the quality and importance of the underlying asset. In the event, the successful culmination of the Essar Steel case will be a big leg-up for the insolvency resolution process that is less than three years old.

To be sure, though the NCLT has given the go-ahead, the last word on the subject may not have been heard as the existing promoters could go in appeal against the verdict. The Code provides for an appeal to the National Company Law Appellate Tribunal and then to the **Supreme Court**, and it is unlikely that the promoters, who bid a much higher Rs. 54,389 crore, will let go without a fight. The banks, though, will be hoping that the process ends in the next couple of weeks as they would want to account for the receipts from the resolution process within this financial year. After all, only four cases (excluding Essar Steel) out of the initial list of 12 big defaulters referred by the Reserve Bank of India for resolution back in June 2017 have been successfully resolved till now. Insolvency and

Bankruptcy Board of India data also point to a pile-up of cases in the various benches of the NCLT. As many as 275 companies, representing 30% of the total of 898 undergoing resolution, have exceeded the 270-day limit set for resolution under the Code. This can be partly explained by the attempt of promoters to tie down the process through appeals at every stage, but the fact is that there is a need for more benches of the NCLT to clear the pile-up. The government would do well to look into this issue.

Meanings of Difficult Words :

- **Resolution** - a formal proposal that is considered by an organization and is usually voted on at a meeting
- **Aspect** - a particular part, feature, or quality of something
- **Insolvency** - the condition of not having enough money to pay debts, buy goods, etc., or an occasion when this happens
- **Bankruptcy** - a situation in which a person or business becomes bankrupt
- **Bankrupt** - a person or business that is bankrupt has officially admitted that they have no money and cannot pay what they owe
- **Tribunal** - a special law court organized to judge a particular case
- **Significant** - very large or noticeable
- **Fledgling** - new and without experience
- **Enact** - to make a proposal into a law
- **Haircut** - a reduction in the amount of debt that will be paid back to an institution that has lent a lot of money
- **Aspect** - a particular part, feature, or quality of something
- **Precedent** - an action or event in the past that is used as an example or reason for a present action or event
- **Default** - to fail to pay money that you owe
- **Elsewhere** - in or to another place or other places
- **Culmination** - the final result of a process or situation
- **Leg-up** - if you give someone a leg-up, you help them to make progress, especially in their career
- **Give the go-ahead** - to give permission to do something
- **Excluding** - used for saying that you are not including someone or something in what you are saying
- **Pile-up** - if something piles up, or if someone piles it up, the amount of it increases a lot
- **Tie down** - to stop someone from being free to do what they want

IDIOM & PHRASES

- **Get ducks in a row:**
Meaning - Getting your things well organized.
Example - To ensure a successful product launch, we must get our ducks in a row.
- **Get the show on the road -**
Meaning - Putting up a plan or idea into action.
Example - Now that we have completed all the legal formalities, let's get the show on the road.
- **Keep your fingers on the pulse:**

Meaning - Being constantly aware of the most recent developments.

Example - An entrepreneur must keep his fingers on the pulse of the market to be successful.

➔ *Mean business:*

Meaning - Being serious about what you announce.

Example - Now that all our policies about work are put up on intranet, we mean business.

➔ *Think on your feet:*

Meaning - Adjusting quickly to changes and making fast decisions.

Example - A good sales man must be able to think on his feet to close the deal.

➔ *Sail through something:*

Meaning - Being successful in doing something without difficulty.

Example - The presentation at the national conference was extremely important for the company. We sailed through it.

➔ *Tricks of the trade:*

Meaning - Clever or expert way of doing something.

Example - Being into the construction business for last 10 years, I know all tricks of the trade.

➔ *Not let grass grow under feet:*

Meaning - Don't delay in getting something done.

Example - As soon as he finished all the registration formalities, he put the house on sale. He doesn't let the grass grow under his feet.

➔ *Work like a charm:*

Meaning - Works very well or has the desired effect.

Example - I had cloves from my sore throat and they worked like a charm.

➔ *Back-room boys:*

Meaning - People who perform important work but have no contact with the public.

Example - Our back room boys deserve an applause for the success of this advertisement.

☞ "Every child is an artist; the problem is how to remain an artist once he grows up." ☞

Pablo Picasso