B I O L I F E   **S C I E N T I F I C   R E P O R T**

Socioeconomic classification of Indian population: A conceptual update for Biomedical Research

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An update of Prasad's socioeconomic classification (1961) of Indian population has been proposed. To handle the trend of inflation it has been linked with the revised All India Wholesale Price Index with a base year of 2003-2004. Interestingly the cutoff obtained for below poverty line corresponds to the BPL (Below Poverty Line) limit of Indian population proposed by an expert panel headed by former RBI governor. It will be the simplest form of socioeconomic classification of Indian population for conducting population and health surveys, and the classification can be updated with the release of month wise AIWPI score.

Key words: Prasad's classification, AIWPI, upgrade

Socioeconomic status is a very important factor affecting the health, social security, as well as family welfare. It is thus recognized as a tool to influence the accessibility, affordability, acceptability and utilization of various resources. The earliest attempt to evaluate the socioeconomic status of an individual was from a psychological point of view[1]. In Indian scenario the classification based on British Registrar General criteria on occupation was used in the preliminary stages[2,3]. After that several attempts were made to develop uniform scale to measure socioeconomic status of populations in different environmental setting. However Prasad's Classification[4] based on the per capita monthly income has been widely used in India[5]. The classification was later modified in 1968 and 1970. Due to the inflationary trend in Indian economy it was again modified by Kumar[6] linking it with All India Consumer Price Index (AICPI). However due to the great variation in consumer price index its practical

use became doubtful in many places. From 1993-94 the inflation rate was started to be governed by All India Wholesale Price Index (AIWPI) and this is widely used as inflation indicator in India. This index is published every month by Office of Economic Adviser, Ministry of Commerce and Industry[7]. AIWPI captures price movements in a most comprehensive way and most important monetary as well as fiscal policies are linked with AIWPI movements. With the impact of cost of living index (COLI) in Indian economy an attempt was made to update Prasad Classification linking with AIWPI taking into consideration a hypothetical value of 0.538. Thus an update was made for 2004 taking 1993-94 as a base year of calculation[9]. With changing time Indian economy underwent structural changes and there was a need to revise the AIWPI (IW) and new set of articles/commodities were required to be included. Therefore a latest revision of AIWPI was done by shifting base year from 1993-94 to 2004-05 on the recommendations of the Working Group set up with Prof. Abhijit Sen, Member, Planning Commission (now dissolved and reconstituted as NITI Aayog) as Chairman. The new series with base year 2004-05 was launched on 14th September 2010. In this paper, an updated version of Prasad Classification is proposed with AIWPI (IW) taking 2004-05 as base year with a linking factor of 1.87. Thus the multiplication factor can be obtained multiplying the

Table-1. Updated social classification of Indian population

S.No.	SOCIAL CLASS	PER CAPITA MONTLY INCOME LIMIT (IN RUPEES)	
		Prasad's Classification (1961)	Proposed Classification for the month of October 2014
1.	Upper High	100 and above	18,200 and above
2.	High	50-99	9,100-18,199
3.	Upper Middle	30-49	5,460-9,099
4.	Lower Middle	15-29	2,730-5,459
5.	Poor	5-15	910-2729
6.	Very poor or Below Poverty Line (BPL)	Below 5	Below 910

AIWPI (IW) with the hypothetical value and linking factor. Since August 2014 the inflation in India is almost static showing a same trend of AIWPI (IP) over time. It is imperative to update the Prasad Classification taking into consideration the recent trend of inflation. A new class of Below Poverty Line is also added taking into consideration Agarwal classification[9] as there was no such concept available in 1961. The newly proposed socioeconomic Classification has been developed taking into consideration the AIWPI data released for the month of October 2014 (AIWPI=183.9 released date 14th November 2014) and has been shown in Table I. The multiplication factor thus calculated is found to be 182 ($183.9 \times 0.53 \times 1.87$). Interestingly the cutoff thus obtained for below poverty line (Rs 910 per capita monthly income) corresponds to the BPL limit of Indian population proposed by an expert panel headed by former RBI governor C. Rangarajan[10]. As AIWPI doesn't vary across geographical region, the present classification can be used without any hesitation as a simplified system for evaluating the socioeconomic condition of a population under study.

Conflict of Interests

The author declares that there is no conflict of interests regarding the publication of this paper.

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