Modified BG Prasad Socio-economic Classification, Update - 2019

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Abstract

Socioeconomic scales are being used for determining the socio-economic status of study subjects which in turn is important indicator of health and nutritional status of an individual. Since BG Prasad socio-economic classification is an income-based scale and, therefore it demands constant update to take inflation and depreciation of rupee into account. Among all socio economic scales used in India BG Prasad socio-economic classification is one of most frequently used scale.

BG Prasad scale was originally devised in 1961 and was later modified by himself in 1968 and 1970. These details of the calculations involved will help many researchers to calculate specific income categories for their ongoing and prospective research work in current calendar year. State-specific CPI (IW) should be used to determine more accurate income categories by researchers in community health-related studies.

Keywords

BG Prasad socio-economic classification; Consumer Price Index CPI 2019

Introduction

To measure the Socio economic status (SES) of an individual or family socio economic scales are being in use. Socio economic status (SES) can be defined as "a position attained by an individual within a system of hierarchical social structure.

An update of Prasad's socioeconomic classification (1961) of Indian population has been proposed with relevance to the current price levels.

Socioeconomic status is a vital factor which affects the health of an individual and family, social security system, as well as family health statistics. (1) It is thus recognized as a tool to influence the accessibility, affordability, acceptability, availability and utilization of various resources. The concept of socio-economic status is widely used in medical sociology. The social standing of an individual or a family in the society can be measured by it. Therefore, is an important factor affecting the health condition of an individual or a family.

Individual usually inherit the social status from his family, but in modern society it is achieved on the basis of occupation, income, type of housing and neighborhood, membership of the certain associations and organizations, material, possessions, etc. (2)

Researchers have tried several measures in India, to evolve different scales for classifying different populations based on their socio-economic status, viz. Parikh scale 1964, Shirpurkar scale 1967, Jalota scale 1970, Kulsherestha scale 1972, Srivastava scale 1978, Bharadwaj scale 2001.(3,4,5,6,7,8)

Modified BG Prasad's classification that is used for both urban and rural areas. Modified Kuppuswamy scale for determining the socio economic status of an individual or a family in urban and peri urban areas Initially the scale was developed for estimating SES of an individual but is later modified to determine SES of a family .(9,10) Uday Pareekh classification is used for rural areas is which takes into account following characteristics namely caste, occupation of family head, education of family head, level of social participation of family head, landholding, housing, farm power, material possessions and type of family.(3)

Modified BG Prasad scale is the most commonly used scale to measure the socioeconomic status of families. (9) This scale was devised in 1961 and was later modified by the author himself in 1968 and 1970.(11,12)

BG Prasad's classification is based on per capita monthly income. It was introduced considering the base of Consumer Price Index (CPI) for 1960 as 100 (8) modified in 1982 and 2001 by introducing linking factors to convert CPI (1982 and 2001) from the new base of 100 to the old base CPI (1960). The linking factors for 1982 and 2001 were 4.93 and 4.63, respectively.6 Price index for January 20176 (by 2001 base) = 274 Multiplication factor = Current index value (274)/Base index value in 2001 (100) = 2.74, New income value = multiplication factor \times old income value \times 4.63 \times 4.93.

The scale uses per capita monthly income and is therefore applicable to individuals. An important limitation of this scale is that it takes into account only the income and, therefore, may miss out on the other factors affecting the social status of the individual. It is important to continuously update the scale to suit the present time due to inflation and depreciation of the value of rupee. (13,14)

Inflation directly disturbs the socioeconomic status of individuals and families by disturbing their purchasing power. The more costly goods and amenities would be in the country, more it would push families into poverty. In India, inflation is measured using five major national indices: The Wholesale Price Index (WPI) and the four categories

of the CPI used to measure inflation for four different sections of labor force.(15) The WPI is the most broadly used index of inflation in India. It captures the comprehensive price movements at the first point of bulk sale for a basket of goods which is predecided. (16) But the major fault in using the WPI for socioeconomic classification scale revision as suggested by some researchers in the past is that the general public does not buy at wholesale level. Also, the WPI is based on a basket of items and does not cover services which form a major quantity of expenditure at the household level (e.g., education, health etc.).(15) The CPI, on the other hand, measures price alteration from the perception of the retail buyer. It is the actual index of inflation for common people. It is based on changes in the retail prices of selected goods and services spent by a distinct group of population. In India, four CPIs were amassed at national level until January 2012. The most commonly used and the most suitable CPI for revision of socioeconomic classifications has been CPI (IW) as it represents the expenditure of a normal working class family.(16) CPI for the entire urban population (CPI Urban) base 2010, CPI for the entire rural population (CPI Rural) base 2010, and Joined CPI for the Urban and Rural Population having the base 2010.(17,18) Using these indices would probably give a more precise picture of socioeconomic status classification for the entire urban and rural population and for the country as a whole. These may be used when suitable linking factors are made available to link them to the earlier used series of CPI (IW) for a more accurate description of socioeconomic classification based on the income of the individual study subject or family. Consumer price Index values can be accessed for various states of India. It is released on the last working day of the succeeding month and is updated on the same day for each month of the year

The revised income categories for Jan 2019 for all India have been given in [Table 1]

The linking factors have been obtained from the website www.labourbureau.nic.in

For arriving at the conforming household income cutoff values for the year 2001,

New income value = (old value \times 4.63 \times 4.93).

To calculate the values for real time update, we have to look at the current All India Average Consumer Price Index Numbers for Industrial Workers (Base 2001 = 100). The value of the index for Jan 2019 is

307. This value has been taken from the Labour Bureau website.(19)

The new values are calculated by further applying a multiplying factor:

Multiplying factor = current index value (=307)/Base index value in 2001 (=100) = 3.07

The updated values for the per capita monthly income (in Rs./month) for Jan 2019 are given in [Table 2]. They have been calculated as: New income value = $3.07 \times (old \ value \times 4.63 \times 4.93)$.

Conclusion

Socioeconomic indices play vital role in predicting health status, affordability of the community health services, and their utilization capacity for health services. Since value of goods and services in the country are dynamic due to inflation so it is update the income-based necessary socioeconomic scales. These scales help researchers and academicians in their community based Research initiatives. Therefore, by the existing exercise, the Modified BG Prasad scale which is used extensively in determining the socioeconomic status in health studies has been updated for the most recent CPI (IW) for Jan 2019. Researchers should use State-specific CPI (IW) in community health-related studies to adjust the socioeconomic status of the study area specifically.

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Tables

TABLE 1 REVISED PER CAPITA INCOME PER MONTH LIMITS

Price index by Old base (1960) for the	Price index by new base (1982) for the	Linking factor between 1960 and	Price index by new base (2001) for the	Linking factor between 1982 and
original scale	year 1982	1982 series	year 2001	2001 series
100	100	4.63	100	4.93

TABLE 2 PROPOSED MODIFIED BG PRASAD'S SOCIAL CLASSIFICATION

Prasad's social classification (1961)		Revision of the Prasad's social classification for the year 2019			
Social Class	Per capita monthly income limits	Social Class	Revised for 2019 (in Rs./month)		
I	100 and above	1	7008 and above		
II	50-99	II	3504-7007		
Ш	30-49	III	2102-3503		
IV	15-29	IV	1051-2101		
V	Below 15	V	1050 and Below		