

An Updated Prasad's Socio Economic Status Classification for 2013

Shankar Reddy Dudala¹, Arlappa N²

It is imperative to understand the Socio-Economic Status (SES) of the community in order to correlate its impact on health and quality of living standards. Almost all community-based studies focus on socio-economic stratification, which is the key parameter for proper understanding the affordability of the community of health services, amenities and their purchasing capacity. When it is taken as a summation of education, occupation and income, it reflects the value system expected for that level of education and occupation [1].

The important determinant of the standard of living and health status is Socio-Economic Status of the individual/community. SES influences on the incidence and prevalence of various health related conditions. Socio-Economic Status also influences social security in terms of the accessibility, affordability, acceptability and actual utilization of various health facilities [2].

Several experts recommended different scales to measure the Socio-Economic Status in both rural and urban areas. However, Prasad's classification (1961) based on the per capita monthly income has been widely in use in India. It is computed as [3]:

Per capita monthly income = Total monthly income of the family/Total members of family.

The advantage with Prasad's classification is that it takes into consideration only the income as a variable and it is simple to calculate. This can be applied to assess the socio-economic status in both rural and urban areas. This classification was modified in 1968 [4] and 1970 [5] by Prasad

BG. It was later modified by Kumar due to the inflationary trend in economy in 1993-94. An attempt has been made to link it with the all India consumer price index (AICPI) and a modified classification has been proposed with a built in provision of its upgrading from time to time to make it relevant and useful [6].

Correction Factor (CF) has been developed in relation to the base year of 1993-1994 as 4.93%, when the new series of the All India Consumer Price Index for Industrial Workers (AICPI) started [7]. The hypothetical value was calculated based on the concept of the cost-of-living index (COLI), which is pertaining to the existing Wholesale Price Index (WPI) in India.

As the COLI is not directly observable, the WPI employs a number of formulae that offer approximations to the measurement objectives. WPI uses the Laspeyres formula to average the price changes due to inflation across different categories of items, because COLI for the each current month is based on the cost of that month's market prices for the items used by the community. COLI changes due to inflation in wholesale price [8].

The Correction Factor should be multiplied with value of AICPI to get the multiplication factor and divided by 100. It is a simple method of multiplying the income limits of classification with a multiplication factor and rounding off the values to the nearest rupee. The next step is to multiply Prasad's income limits by the multiplication factor. AICPI for Industrial Workers (Base 1982 = 100) shows the current Price

index as 1046 in April 2013 [7]. Therefore, the multiplication factor = Value of AICPI [7] x CF/100

Income limits thus obtained, are far more practical and realistic. For example, to compute a social economic status classification for April 2013, the multiplication factor will be = $1046 \times 4.93/100 = 51.56$. Multiplication factor so derived has to be multiplied with BG Prasad's value of 1961 and rounded off to nearest rupee. ($Rs100 \times 51.56 = Rs\ 5156$, $Rs50 \times 51.56 = Rs2578$, $Rs30 \times 51.56 = Rs\ 1547$, and $Rs15 \times 51.56 = Rs\ 773$). The updated classification for April 2013 is given in [Table - 1].

Table 1: Assessment of SES by modified BG Prasad's Classification for 2013

Socio Economic Status: Class	BG Prasad's Classification of 1961	Modified Prasad's Classification for 2013	BG for
I	Rs 100 and above	Rs 5156 and above	
II	Rs 50-99	Rs 2578-5155	
III	Rs 30-49	Rs 1547-2577	
IV	Rs 15-29	Rs 773-1546	
V	Below Rs 15	Below Rs 773	

Limitations:

- Comparisons of per capita income over a period of time need to take into account the changes in prices. Without using measures of income adjusted for inflation, they will tend to overstate the effects of economic growth.

- As per capita income is a mean value, it does not reflect actual income distribution. If the distribution of income within a country is skewed, a small wealthy class can increase per capita income far above that of the majority of the population. In this respect, Median income is a more useful measure of prosperity than per capita income, because, it is less influenced by the outliers.
- Economic activity that does not result in monetary income, such as services provided within the family or for barter, which is usually not counted while arriving at the per capita income. The importance of the said services varies widely among different economies.

Conflict of Interests: None

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AUTHOR(S):

1. Dr.Shankar Reddy Dudala, MD, MPH, Asst. Professor, Dept. of Community Medicine, S.V.Medical College, Tirupati.
2. Dr.N.Arlappa, MD, Scientist D, Division of Community Studies, National Institute of Nutrition (ICMR), Tarnaka, Hyderabad.

CORRESPONDING AUTHOR:

Dr.Shankar Reddy Dudala,
Assistant Professor, Dept. of Community Medicine,
S.V.Medical College, Tirupati – 517507.
Email: drshankarreddy1979@gmail.com;
Cell No: +919963578333

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