

# 10% quota may benefit 51.5 million households

More than 40% of these are in West Bengal, Uttar Pradesh, and Maharashtra

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An Act to provide 10 per cent reservations to the economically weaker sections (EWS) of forward/general category households could potentially benefit around 51.5 million households, an analysis by Business Standard shows. Of these, 9.35 million are Brahmin households, while 42.1 million belong to other forward/general caste households (at 2016-17 income levels).

A closer look at the data reveals that 42 per cent of these households are in West Bengal, Uttar Pradesh and Maharashtra.

This analysis is based on extrapolating data from India Human Development Survey (IHDS), carried out by the University of Maryland and the National Council of Applied Economic Research.

The 124th amendment to the Constitution provides for 10 per cent reservation in education institutions and jobs for EWS of forward/general category households. The income cut off of ₹8 lakh per year, used for defining the EWS category, is similar to that used for defining the creamy layer among OBC (other backward class). This income cut off was initially kept at ₹1 lakh per year in 1993. Subsequently, it was raised to ₹2.5 lakh in 2004, to ₹4.5 lakh in 2008, ₹6 lakh in 2013, and ₹8 lakh in 2017.

After the announcement of 10 per cent reservations for EWS in the general category, there has been much debate over the exact number of households/individuals who are likely to benefit. In the absence of granular data on household incomes, it is difficult to know for sure.



## IN A NUTSHELL

% of households with annual income less than ₹8 lakh

Brahmin	74.5
Forward/general (except Brahmin)	78.5
Other backward class (OBC)	89.0
Scheduled caste (SC)	91.9
Scheduled tribe (ST)	92.8
Others	78.8

Source: Estimates based on data from IHDS and MOSPI

One way to arrive at probable estimates is to draw on the income data collected in the IHDS. Certain adjustments had to be made to the survey estimates to arrive at estimates for 2016-17.

First, as the latest round of IHDS was carried out for 2011-12, this analysis assumes that the distribution of household income remained unchanged between 2011-12 and 2016-17.

Secondly, as the survey only captures a fraction of household disposable income, this analysis accounts for this underestimation of income by assuming that it is distribution neutral. Thus, the estimates of household income arrived at from the survey

were adjusted to account for this underestimation and brought forward to arrive at estimates of household income for 2016-17.

Lastly, this analysis does not factor in changes in the number of households between these years.

Now, at the all-India level, the IHDS data provides estimates for 255 million households in 2011-12, which translate to a population of around 1.2 billion. According to this data, Brahmins and forward/general caste households account for roughly 26 per cent of all households.

On applying the ₹8-lakh household income criteria to the adjusted income, we find

State-wise distribution of intended beneficiary households



that of the 12.5 million Brahmin households, 74 per cent or 9.3 million have incomes less than ₹8 lakh. In the case of the other forward/general category households (excluding Brahmins), out of 53.7 million, 42.1 million had an income of less than ₹8 lakh.

State wise data shows that West Bengal leads the tally accounting for roughly 17 per cent of these households, followed by Uttar Pradesh (13 per cent), Maharashtra (12 per cent), Andhra Pradesh (5.8 per cent), Gujarat (5.4 per cent) and Bihar (5 per cent). The survey shows that roughly two-thirds of these households reside in rural areas.