New Reservation Policy
Is It Empirically Justifiable?

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Is the reservation policy earmarking a 10% quota for the economically weaker sections of the "general category" empirically founded and justifiable? An analysis of 445 premier higher education institutions finds that this section of students already had about 28% of representation—that is, close to three times the proposed 10% quota—in these institutions in 2016–17. This finding raises questions as to the relevance and possible impact of the proposed policy.

Is the Constitution (124th Amendment) Bill 2019, or the reservation policy earmarking 10% quota for the economically weaker sections (EWS) of the "general category," based on credible evidence? Specifically, does the available evidence suggest this section is underrepresented in public and private education institutions in India? This question forms the basis of the analysis of this article, which is confined to the education sector only. To do so, a novel data set has been analysed, that is, educational institutions ranked as per National Institutional Ranking Framework (NIRF) of the Ministry of Human Resource Development (MHRD). The analysis done by the authors suggests that the EWS from the "general category" already had secured a share three times greater than the proposed quota in these premier institutions in 2016–17, despite the absence of reservation and the presence of more restrictive eligibility criteria.

Questioning the Intent

The recent reservation policy brought about by introducing an amendment to the Constitution intends to reserve 10% of the total seats in higher education institutions, both private and public, and in government jobs exclusively for the EWS belonging to the general category. Considering the economic condition as the sole basis for reservation, this policy uses two criteria to define eligibility: annual household income and asset ownership. For income, the limit is fixed at ₹8 lakh per annum. For asset ownership, the limits are somewhat different in rural (households owning agricultural land below five acres) and urban areas (a house above 1,000 square feet or a 100-yard plot or below in a notified municipal area or a plot of 200 square yards or below in a non-notified municipal area).

On what basis were the above income and asset threshold set as eligibility criteria? Specifically, will the above criteria, seemingly wide in range and reach, help insulate the proposed policy from the ills that blight the welfare schemes in India—the errors of wrong inclusion and wrong exclusion (Cornea and Stewart 1993; Swaminathan and Misra 2001)? Estimates suggest that as high as 80% (Bhalla 2019) to 95% (Desai 2019) of the general category households will be eligible for this quota. Thus, the above EWS criteria are prone to the error of wrong inclusion rather than addressing exclusion. Importantly, ₹8 lakh as cutoff is higher than the eligibility criteria adopted by many states and education institutions in India.[1]

Notwithstanding the variation in estimates, they do convey a poignant fact. As many as 80% of households from the general category are economically weaker despite their social advantage in the fastest growing economy in the world. What is more, these households now supposedly require reservation—which was perceived with disdain by them—for their education and economic advancement. Whether or not this new reservation policy is required, relevant, or appropriate, it has made evident one point: reservation is no more the preserve of the so-called meritless and is even capable of transforming the past cynics into present champions of reservation.
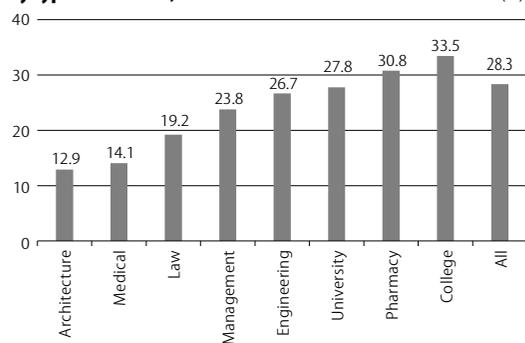
The rationale underlying the proposed reservation policy is that the EWS from the general category remained "excluded from attending the higher education institutions" in India "due to their financial incapacity." Hence, the primary focus of this article is to ascertain the empirical validity of this claim. Specifically, it is examined whether the EWS from the general category are underrepresented in institutions of higher learning in India. The analysis, confined only to the education sector, employs a novel data set of educational institutions.

Analysis and Results

To analyse the representation of economically backward students in the higher education institutions in India, the data submitted by 445 higher education

Figure 1: Share of EBC Students at NIRF-ranked Institutions by Type of Institute, 2016–17   (%)

Source: Estimated from NIRF data.

institutions to the MHRD for the NIRF, 2018 has been used.[2] Since 2016, the NIRF ranks higher education institutions in India based on their performance on five parameters. Under the NIRF, higher education institutions are divided into eight categories. For each institute, data is available, inter alia, on the total number of students studying in all years of all programmes, and the number of students from "economically backward class" (EBC)[3] for both undergraduate and postgraduate programmes. This data has been used to arrive at the share of EBC students in a higher education institution.

Figure 1 presents the share of EBC students who were enrolled at NIRF-ranked institutions in 2016–17. Of the total 16.09 lakh students enrolled in all the 445 NIRF-ranked institutions in 2016–17, about 28% (4.55 lakh) belonged to the EBC. A disaggregated analysis of NIRF-ranked institutions into eight different categories reveals that the share of EBC students varies from 13% in architecture institutions to 33% in colleges. Except for architecture and medicine, the share of EBC students stands at almost double in all other categories of institutions, from the proposed 10% quota. Thus, it is evident that the EBC students have already secured about three times the number of seats under the proposed quota of 10%, without any reservation in higher education institutions. This is despite the fact that the income criterion at ₹5.5 lakh per annum used by most of these institutions is lesser than the proposed criterion of ₹8 lakh per annum.

In each of these eight categories of institutions, it is further examined as to how many have less than 10% and more

than 20% of the share of EBC students. About two-thirds (66%) of all NIRF-ranked higher education institutions already have more than 10% of EBC students from the general category (Table 1). As high as 50% of the institutions already have more than 20% of EBC students from the general category. Table 1 also reveals that the share of EBC students is relatively lesser in medical, architecture, management, and law institutions. The reverse holds true for colleges, pharmacy and engineering institutes, and universities.

Table 1: NIRF-ranked Institutes and Share of EBC Students, 2016–17

Type of Institution	0–10%	11–20%	21 & above%	Total
Colleges	23 (23)	16 (16)	61 (61)	100 (100)
Pharmacy	26 (13)	20 (10)	54 (27)	100 (50)
Engineering	30 (30)	20 (20)	50 (50)	100 (100)
University	32 (32)	14 (14)	54 (54)	100 (100)
Law	50 (5)	20 (2)	30 (3)	100 (10)
Management	54 (27)	10 (5)	36 (18)	100 (50)
Architecture	60 (6)	10 (1)	30 (3)	100 (10)
Medical	64 (16)	8 (2)	28 (7)	100 (25)
All	34.2 (152)	15.7 (70)	50.1 (223)	100 (445)

Figures in parentheses indicate absolute numbers.

Note that the number of architecture, law, management and medical institutions present in NIRF rankings was much smaller as compared to engineering institutions or universities. For example, only 10 law institutions were ranked as part of NIRF in 2018 as against 100 engineering institutions (Table 2). One possible reason for the under-representation of EBC in these four types of institutions that have emerged as highly competitive in recent years could be the high costs involved. This includes coaching costs for preparation for the entrance tests as well as the high fees charged by these institutions. For example, the fee payable by a student for a year of a BA LLB (Hons) degree programme at the National Law School of India is about ₹2

Table 2: Private and Public NIRF-ranked Institutes and Share of EBC Students, 2016–17

% EBC	Private	Public	All
0–10	32.2 (47)	35.1 (105)	34.2 (152)
11–20	11.6 (17)	17.7 (53)	15.7 (70)
21 and above	56.2 (82)	47.2 (141)	50.1 (223)
Total	100 (146)	100 (299)	100 (445)

Figures in parentheses indicate absolute numbers.

lakh. Similarly, the yearly fee for a postgraduate programme in management at the Indian Institute of Management, Ahmedabad is about ₹10 lakh.

When classified further on the basis of public and private higher education institutions, the representation of EBC students remains broadly the same as the overall pattern (Table 2). What is interesting is that close to 70% of the private institutions ranked by the NIRF have more than 10% of EBC students. Further, 56% of the privately owned NIRF-ranked institutions have more than 20% of EBC students. These NIRF-ranked private institutions could be charging a relatively higher fee compared to the non-ranked private institutions. Despite such a higher fee, the share of EBC students of general category is not as less.

The representation of EBC students in top 100 engineering institutions that were listed in the NIRF ranking has also been analysed. These 100 institutions have been further divided into three categories, that is, institutes of national importance (mostly Indian Institute of Technology—IITs and National Institute of Technology—NITs), other public institutions, and private institutions (Table 3). Close to 70% of the engineering institutions that were recognised as institutes of national importance have more than 10% of EBC students enrolled, while 62% of private engineering colleges have more than 20% of EBC students. It is clear from Table 3 that the EBC students from the general category are not under-represented either in institutes like IITs and NITs (labelled as institutes of national importance) or in leading private engineering institutions.

Table 3: NIRF-ranked Engineering Institutes and Share of EBC Students, 2016–17

% EBC	Institutes of National Importance	Other Public Institutions	Private Institutions
0–10	31.6 (12)	33.3 (10)	25.0 (8)
11–20	26.3 (10)	20.0 (6)	12.5 (4)
21 and above	42.1 (16)	46.7 (14)	62.5 (20)
Total	100 (38)	100 (30)	100 (32)

Figures in parentheses indicate absolute numbers.

Concluding Observations

The analysis reveals that the EBC students from the general category have about 28% share in 445 NIRF-ranked higher education institutions in India. This is close to three times the proposed

10% quota. The disaggregated analysis shows that in almost 50% of NIRF-ranked educational institutions, their share of representation is more than 20%. This suggests that the EBC students from the general category already have a reasonable share without any reservation in premier higher education institutions in India. If the share of EBC students in these premier institutions is as high as 28%, their share is likely to be more in non-ranked institutions which might be charging a relatively lower fee. The results raise an immediate question: Is the proposed reservation policy empirically founded and justifiable? The answer is not in the affirmative. Hence, the possible impact of the proposed reservation policy is likely to be lesser in the higher education sector, and not as the "game changer"that it has been touted as.

NOTES

1 Various states and education institutions use different income cut-offs as the eligibility criteria to define economically backward class (EBC). Telangana state, for instance, defines "EBC" as "other communities," having an annual income of less than ₹2 lakh in urban areas and ₹1.50 lakh per annum in rural areas. The criteria used by Tamil Nadu and Gujarat for the same is ₹2 lakh and ₹5.5 lakh per annum, respectively. The Indian Institutes of Technology and National Institutes of Technology use the income criterion of up to ₹5 lakh per annum.

2 The data submitted by the institutions for the NIRF ranking for 2018 pertains to the academic year 2016–17.

3 Though the proposed policy uses the term "economically weaker sections," the NIRF uses the term "economically backward class" (EBC). Hence, this term has also been used in the analysis.

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