

Price Rise And Its Impact On The People: Essay

Price Rise And Its Impact On The People: Yesterday I went shopping at the market and got shocked to hear the price of 1kg of Onion! yes, it is almost Rs.70 per Kilogram. Which generally don't go beyond Rs. 30 per kilogram during normal days.

Such things are nowadays getting more common in India. The sudden rise in prices of commodities and basic food and consumer items are getting a huge rise in their normal price. Which not only affects the Market but the poor people are the ones who are most affected.

We will learn in detail about the Price Rise And Its Impact On The People. But before some basic concepts on how and why this price rise happens, we must know. So What is Price Rise?



In economic terms, price Rise is generally termed as Inflation in the economy.

According to IMF ([International Monetary fund](#))

Inflation: Prices on the Rise Inflation measures how much more expensive a set of goods and services has become over a certain period, usually a year.

There are various common understandings about price rise or Inflation in any economy but it is like an increase in normal prices beyond the common man's pocket expenses.

So, this is happening or there are some trends and reasons behind these price rises in the market? Yes, there are a lot of reasons from natural to artificial and man-made.

Here are some most common reasons behind price rise or Inflation:

1. Money Supply Increase: More than an 18% increase in money supply over the 4% national output has made the imbalance of commodities available and the money in the hands of the public.

If people have more money they will try to buy more but because limited availability of stocks in the market leads to price rise.

2. Increase in government expenditure leads to a price rise.

3. Inadequate agricultural and industrial growth is also one reason behind rising prices.

4. Hoardings and administered prices are also affecting prices in the markets.

5. Rising import prices and taxes also affect the prices in the market.

6. Rising taxes are affecting prices like the price of petrol and diesel etc.

So, many people might be arguing that price rise is bad for the economy. But is so in all the cases. No, because the sometimes government and central banks have to keep some amount of price rise or inflation to control the economic growth and maintain a balance between prices and economic crash.

But prices of certain commodities getting a sudden rise is a cause of concern for the government as well.

Price Rise And Its Impact On The People:

Impact on Poor people:

They are the one who suffers the most. As they have limited income to spend which is often insufficient to fulfill their basic needs but this price rise again worsens their situation affecting their life balance.

Many are even taking extreme steps and getting below the poverty line. Which is almost 29.5 % according to Tendulkar Reports.

Impact on farmers:

They are the ones who produce food for themselves. But in India, they are the worst affected people. You might have seen many suicides in India are of Farmers.

They are not getting enough for their produced food crops. Hence this price rise affects their living standards and agriculture production for upcoming years.

Lower middle class:

The lower middle class-whether living in villages or cities has been a great sufferer because they are ambitious people. They want to give the impression of being well-off though it is becoming difficult for them to make both ends meet.

Impact on Education:

The price rise in any commodity affects the Education level as well. If people are not having money to eat and spend on education. Hence they will not send their children to school and hamper their mental and physical development. Hence children and students also get affected by the price rise.

As whole sections of the society get affected by the price rise. But the severity varies from high to middle income to poor people. creating an imbalance in resources distribution which is the main cause of violence and crime in society.

Historical significance and examples of price rise?

1991 economic crisis in India.

The subprime crisis in America. These two events are the ones which change the complete situation in the world economy because of price rise.

So What is the solution to the problem?

To solve this problem we government should try to find the basic link of the problem. Where did it got originated and what is the main reason behind it.

And then according to the central bank will make its policy rates and take out the money from the market and control the prices.

If the price rise from administrative reasons then identification of that reason and cost-cutting will help to get that resolved.

By reducing the tax burden on the public also this can be reduced to some extent.

Also having a stronghold on black marketers or holders will also help to reduce the inflation in the economy to get stable.

On an ethical level as a citizen of the country, we should also keep an eye on unethical happenings around us.

And inform the authorities if any hoardings or illegal things which are leading to price rise to keep updating the authorities about that. "A country is great by not what it has but by how its people reacts" Hence be a sincere and educated, responsible citizen of the country.