

INFLATION RATE CREEPING IN TELANGANA ITS CAUSES AND EFFECTS ON COMMON PEOPLE

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ABSTRACT

Inflation and soaring prices pose a significant challenge demanding immediate attention from policymakers and administrators. Despite the state's notable advancements in the IT sector, pharmaceutical industry, service sector, and infrastructural development, the persistent upward trajectory of inflation is adversely impacting this progress. The relentless surge in prices, encompassing essential items, fuel, vegetables, and food products, is adversely affecting the daily lives of the common man. Telangana is in the third place which is possessing high inflation in the country, eight years high that is 9.02%, West Bengal which had 9.12%, Madhya Pradesh which had 9.10%. Telangana was among the four States in the country which is exhibiting high inflation rate based on consumer price

index. CPI consumer price index is one of the main indicators which is used to measure the accelerated effect of inflation in the particular region as per the data revealed by National Statistical Organization NSO. Consumer price index mainly includes the prices of basket of goods and services which are consumed by the people to fulfill their basic necessities. This comprises the prices of Food grains, edible oils, dals and pulses, vegetables, milk and milk products, domestic gas, fuel, services like transportation, banking all this we're considered to compute consumption expenditure.

Key Words: Inflation, Creeping, CPI and Prices.

INTRODUCTION:

Present study would like to focus on the problem of creeping inflation in the

Telangana state; the main intention is to evaluate the causes and effects on people of Telangana. How the rate of inflation affects the standard of living. There are no comprehensive studies on Telangana inflation and its effects, so the present study intended to do a keen observation of the situation in the given region and wanted to provide suggestions and policy implications. The paper would like to reveal the facts of what are the elements that led to dripping inflation in Telangana and to examine precluding measures.

SCOPE OF THE STUDY:

The study will showcase the important factors that are raised prices at the same time will present the comparative analysis of Telangana's inflation with other states in India, the states which are controlling inflation effectively and the mistakes made by the government in the given area that is replicating and accelerating faster growth of inflation which is influencing very badly in the state. The present article would bring to the facts how the inflation is adversely affecting standard of living of the people in Telangana region.

NEED OF THE STUDY:

As the Telangana people are facing the problem of creeping inflation the study will bring out discussion regarding the causes and consequences. The study will do the grass

root level survey to bring the pain and gain from the public point of view. How the people are suffering from the present situation will be rolled out in a systematic way. What measures need to be addressed at the same time the policy implications that to streamline the cumulative study will be presented in the given paper.

OBJECTIVES OF THE STUDY:

- ❖ Comprehensive analysis of the inflation in Telangana state for the 5 years period
- ❖ Exploring the causes and effects of inflation in Telangana
- ❖ Evaluating the effects of inflation on people standard of living
- ❖ How the inflation is affecting the consumption expenditure of the people in Telangana state.

RESEARCH METHODOLOGY AND TOOLS:

Present study is established based on secondary and primary data sources which are provided by the secondary data accrued by NSO and other governing bodies, business organizations and by the industrial experts who were published from time to time to explore the economic and social conditions in the state. The cumulative analysis was presented in the paper in a systematic manner. To know the effects of inflation to present the pain and gain of inflation at grass

root level the primary data is collected from the population of Telangana by using a random sampling method by using a well-constructed questionnaire, to gather the information from the selected people through online surveys and telephone surveys.

TOOLS:

- ❖ Computing, excel operations, data visualization, and graphical, tabular, trend projection, likert scale methods are used to analyze and organize the data.
- ❖ To organize the data and to draw the conclusions ratios, percentages, simple calculations were used.

The article is structured into three parts:

1. Literary review and review of literature
2. Secondary data Telangana state economic and social status affected by inflation related statistics and analysis.
3. Bottom level micro analysis is done based on the primary survey. The data is showcased in different angles like people consumption expenditure, how it is affected by inflation, gross root level analysis and evaluation of the data was done based on the results acquired.

LITERARY REVIEW:

Creeping Inflation: Creeping inflation is a situation characterized by a slow but steady and continuous rise in the general price levels of goods and services over an extended period, without sharp or sudden spikes. This ongoing issue is a significant concern in our nation, impacting various provinces.

Consumer price index: The Consumer Price Index (CPI) is a measure of price changes over time, representing a weighted average of goods and services in a market basket commonly purchased by households. It is calculated using a representative selection of items to track fluctuations in prices.

REVIEW OF LITERATURE:

1. Telangana inflation rate spirals to 9.45% in May, highest in India

Sribala Vadlapatla / TNN / Updated: Jun 21, 2022, 05:05 IST

In the year 2022 Telangana measured the elevated inflation rate in May-2022 at 9.45% both rural and urban. As it is very huge compared to the national inflation rate that is edged down to 7.04%.

Connoisseurs say that Telangana's inflation is on a Spiral it have many unfavorable fallouts, consequences which may hit the state growth. The paper accentuated that " This is a Vicious Cycle impact the consumer and business units"

nearly 80% more people are paying for goods and services when you compare with 2012 prices, and 3% more from April to May this year (Nayudu highlighted in the paper.)

2: Why Telangana has a persistent inflation problem 2 min read 17 Apr 2023.

In this article it explained that Telangana

States with Higher Inflation:

Telangana:	7.63%
Andhra Pradesh:	6.55%
Tamil Nadu:	6.70%
Kerala:	5.76%
Uttar Pradesh:	6.01%
Gujarat:	6.18%
Maharashtra:	5.93%

States with Lower Inflation:

Chhattisgarh:	1.88%
Bihar:	5.03%
Assam:	4.46%
Himachal Pradesh:	3.96%
Delhi:	3.44%
West Bengal:	4.35%

These states exhibit inflation rates below the national average of 5.66%, showcasing a contrast to the higher inflation observed in states like Telangana. The diversity in inflation rates reflects the economic dynamics

consistently has the highest inflation at 7.63%, almost 200 basis points above the national average. This paper showcased the comparative statistics of Telangana inflation rate with other states in India. State-wise inflation statistics based on the Consumer Price Index (CPI) for March:

and regional variations across different parts of India.

3. Why Telangana's inflation is high compared to other states

Written by:

Paul Oommen Published: 31st May, 2022. This paper did competitive analysis of

Telangana inflation with other domains in the country. Telangana had one of the highest inflation rates in the country: 9.02%. It was behind two other states—West Bengal which had 9.12% and Madhya Pradesh with 9.10%.

“A favorable public distribution network (PDS) in states like Tamil Nadu and Kerala has supported downward inflation rates. Whereas in Telangana state there is no intervention, poor intervention of the government is examined.

In these terrible situations “Both state governments and the Union government can do more to keep a check on the rising prices”, says Madhura Swaminathan.

“Improving public transportation and lessening the cost of transportation of products is one crucial step. When fuel rates upgrade, the effect of the rise is seen on various fractions.

Furthermore, when prices of fertilizers increase, it influences farming and all its commodities.

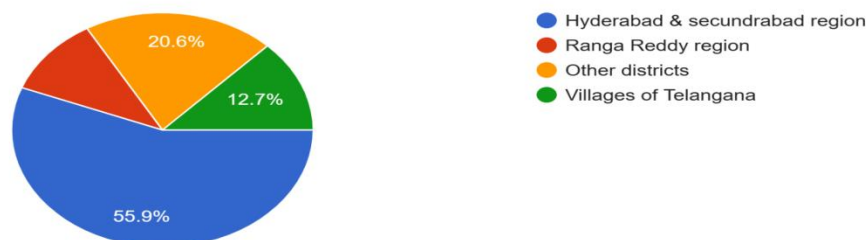
The paper explored that while people in the urban areas are managing,

unfortunately, In Telangana’s rural areas people have been drastically affected due to the unusual raise in the prices.

PRIMARY DATA ANALYSIS AND INTERPRETATION:

This paper primarily focuses on why inflation in Telangana is significantly higher compared to other states in India and examines its impact on the common people in the region. The study aims to highlight the issues and major concerns of the public, identify those responsible for the situation, and propose solutions to address the current problem. Primary data has been collected from various parts of Telangana to shed light on this issue, presenting the views of people at the grassroots level. A total of 102 responses were gathered from the public to understand the effects of inflation on their family budgets. The analysis explores how soaring prices have given rise to diverse problems at the local level, using insights from the collected primary data.

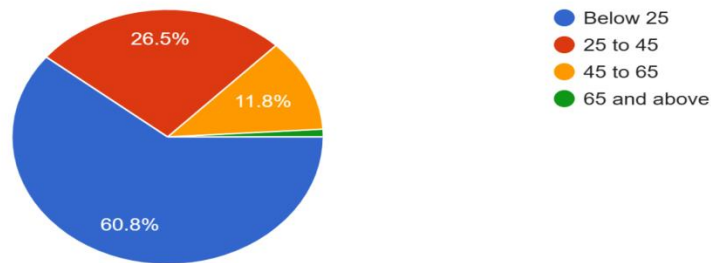
1. Which region of Telangana do you belong to?
102 responses



Respondents' Demographic Description: The primary data collected reveals that 55.9% of the respondents are from Hyderabad and Secunderabad, representing the urban area's perspective on the effects of inflation. Additionally, 5% of the respondents are from the Ranga Reddy district, which also represents an urban area. Respondents from other districts of Telangana constitute 21%, while 13% of the respondents are from village populations.

2. What age group do you fall into?

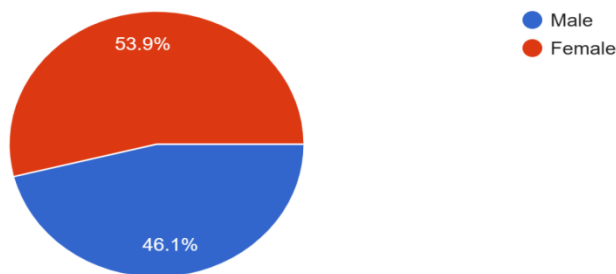
102 responses



Age wise analysis: The inquiry being conducted to find out what factors resulted in faster inflation in Telangana in that the age group industriously contributed is younger generation and working group people being to 45 87% years and others 45 to 65 years age group contribution to information was 12%. The information gathered was given valuable inputs to find out the cases and effects of inflation in Telangana.

3. Gender

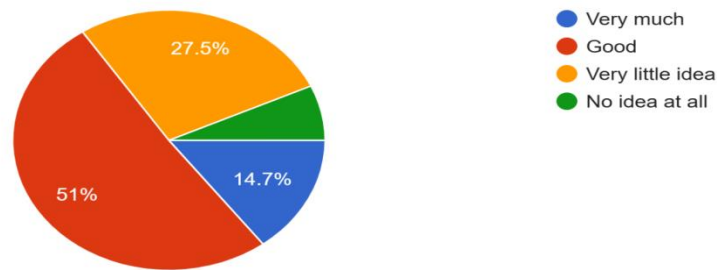
102 responses



Gender wise survey: This revealed that in the given enquiry 46 % male, 54% female participated in the survey to share their opinions regarding soaring prices in Telangana.

4. How would you describe your awareness of inflation in Telangana?

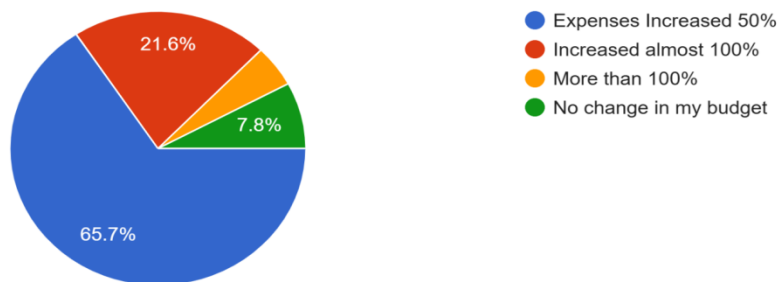
102 responses



Dominant portion of 65% people in the survey said that they can encounter the surges of inflation in Telangana. They are realizing faster price fluctuations in the state. The remaining 27% said that they are not aware of the state of inflation in the region.

6. How do you think inflation has affected your household budget and expenses? In the past 5 years?

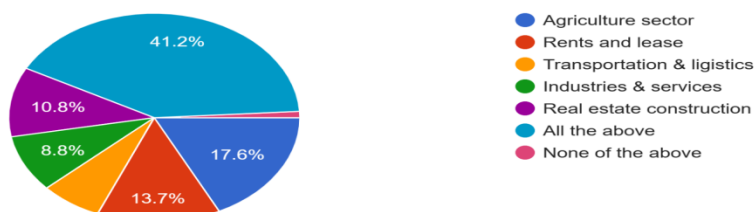
102 responses



90% of the people in the probe disclosed that an upswing in the prices led to adverse effects on their family budget. Nearly 23% people said that their spending due to prices increased almost 100%. And 66% elucidated that their expenditures on various goods and services escalated to 50%. The overall survey concluded that their payments are boosted in Telangana.

7. Are there any specific sectors or industries that, in your view, are significantly impacted by inflation in the region?

102 responses



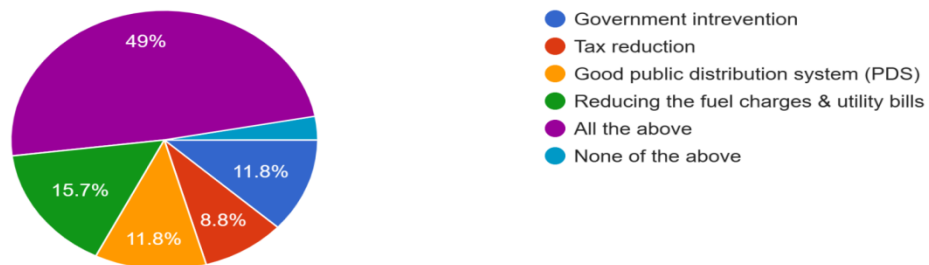
According to a given survey, 41% of respondents observed that rates are rising across the board. Among these, 17% identified agriculture, 14% pointed to rents and leases, and 20% cited real estate and construction combined. Additionally, respondents highlighted transport and logistics as major contributors to the rising prices. A smaller number also mentioned other factors contributing to price increases.

8. To what extent do you think inflation influences your decision-making when it comes to savings and investments?
 102 responses



In the conducted poll, 44% of respondents indicated that their savings and investments have been significantly impacted by the current situation. Conversely, 45% reported that their savings and investment decisions have not been as severely affected.

9. What measures do you think could be taken to mitigate the effects of inflation on the general population in Telangana?
 102 responses



In the provided survey, most people stated that controlling inflation in Telangana requires multiple measures. Specifically, 15% suggested reducing fuel and utility charges, 12% called for a better public distribution system, 9% mentioned tax deductions, and 49% believed that a combination of all these measures is necessary.

10. How would you rate the overall economic situation in Telangana, considering the impact of inflation?
102 responses

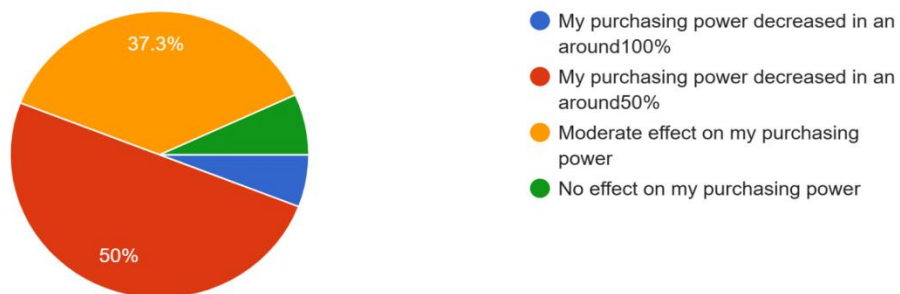


Telangana, the effects of rising prices on the lives of residents vary: 25% of respondents stated that rising prices are "bitterly spreading," indicating a significant negative impact. 62% mentioned that while it is hard, it is somehow manageable.

Less than 5% reported that rising prices are very badly affecting their living standards.

This data suggests that the majority are feeling the pinch but are coping, while a smaller portion is severely affected.

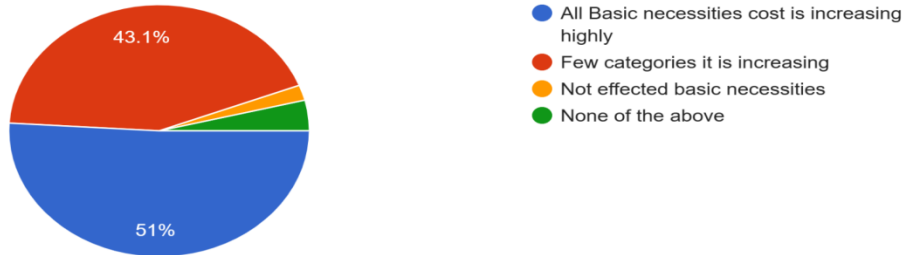
11. How has inflation impacted your day-to-day expenses and purchasing power?
102 responses



Regarding the question about price explosion and its impact on purchasing power, 50% of people in Telangana reported that their purchasing power and the value of their money have significantly decreased in recent times. Additionally, 38% mentioned that they experienced a moderate impact on their finances.

12. Have you observed changes in the cost of basic necessities like food, housing, and transportation due to inflation?

102 responses



In the case of crucial necessities 51% of the public said that it is worsening the conditions, 43% if the people said few categories of necessary good prices are affecting badly. Overall 94% contended that the necessities became costly in Telangana state.

13. How has inflation affected your perception of job security and income stability?

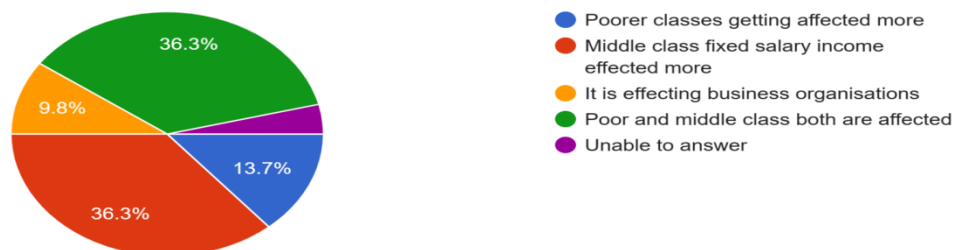
102 responses



How the present upscaling of prices inflicted job market and earnings of the people in telangana. For this question 62% said inflation caused worst conditions regarding jobs and sources of income of the people, 14% said inflation affected only jobs, 14% said it effected only income sources.

14. Have you noticed any disparities in the impact of inflation on different socio-economic groups within your community?

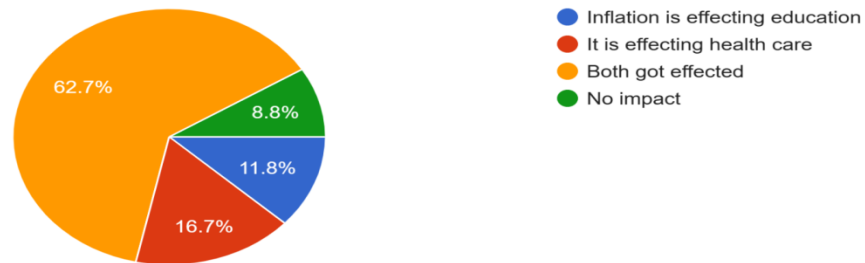
102 responses



According to the survey, 36% of respondents believe that inflation primarily affects middle-class individuals with fixed salaries and the poor. Another 36% stated that it impacts the middle class exclusively. Additionally, 10% of respondents indicated that inflation is also affecting business organizations.

15. Are there specific areas of your life, such as education or healthcare, where you feel the effects of inflation more significantly?

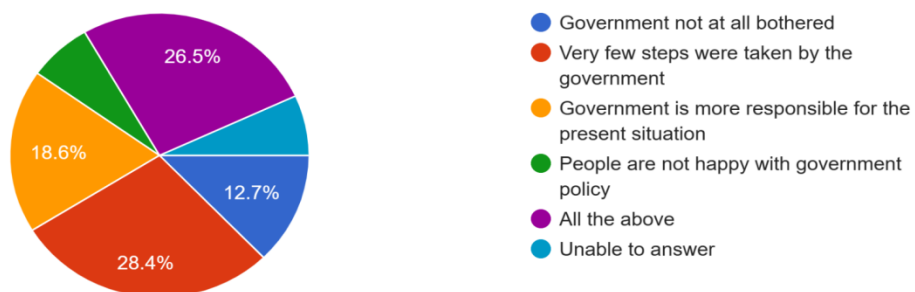
102 responses



Regarding the services most affected by inflation, 12% of respondents mentioned that education has become more costly, while 17% highlighted the adverse impact on healthcare expenses for the common people. A significant majority, 63%, expressed that both these areas were significantly burdening the pockets of the common people in the region.

16. Do you believe government policies have been effective in addressing the challenges posed by inflation on people's standard of living?

102 responses



A staggering 98% of Telangana residents expressed the sentiment that the government is indifferent to rising prices and has taken minimal steps to control inflation. The government is widely seen as primarily responsible for the current state of affairs in the state. People are extremely dissatisfied with the perceived negligence displayed by the government.

17. What recommendations do you have for policymakers to alleviate the negative effects of inflation on the overall quality of life for people in your region?.

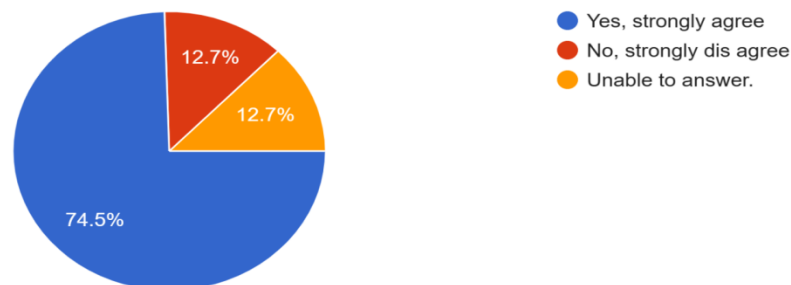
102 responses



Ninety percent of the state's population emphasized the need for the government to take specific measures to control inflation. These measures include reducing fuel and transport charges, overseeing electricity and utility bills, lowering taxes on necessities crucial in the consumer basket, cutting down on unproductive public expenditure, and enhancing the Public Distribution System (PDS) network in the state.

18. Do you feel that inflation is the major problem in Telangana that need to be addressed immediately by all the government and non- government organisation, police makers.

102 responses



Eighty-seven percent of respondents in the survey believe that significant policy implications are necessary to address the situation in Telangana, as it could potentially become a significant obstacle to growth. They emphasize the need for emergency measures to control the creeping inflation in the state.

FINDINGS OF THE RESEARCH:

- Telangana is positioned relatively higher in the country in terms of inflation, which is a significant cause for concern.
- The study revealed that the poorer class and middle-class individuals with fixed salaries are the most affected by rising prices.

- The condition of the people is deteriorating.
- The main contributors to rising prices include agricultural goods, basic necessities, transport charges, rent and leasing, real estate, construction, electricity and utility bills, as well as services like education and healthcare, which are imposing a heavy burden on the common people in the state.
- The government has taken minimal steps to control the situation. Public dissatisfaction is high with the public distribution system, and both local and central taxes are adding to the burden on the people. Unproductive public expenditure is a significant factor increasing this burden, with adverse effects on employment and income generation in Telangana. This situation is a major obstacle to the state's growth.
- The people of the state are looking to policymakers, administrators, and the government to address the situation.

CONCLUSION:

The research findings highlight a concerning scenario in Telangana, where inflation is significantly impacting the lives of its residents, particularly the poorer and middle-class segments. The state's high standing in terms of inflation rates underscores the urgency of addressing this issue. The rising

prices of essential goods and services, coupled with inadequate government intervention and burdensome taxes, are exacerbating the financial strain on the populace.

The government's limited efforts to mitigate inflation and the shortcomings of the public distribution system have contributed to widespread dissatisfaction. Moreover, unproductive public expenditure is further hindering economic growth and exacerbating the unemployment and income generation challenges faced by the state.

It is imperative for policymakers, administrators, and the government to take decisive action. This includes implementing effective policies to control inflation, improving the public distribution system, and reducing unproductive expenditure. Addressing these issues is crucial not only for alleviating the financial burden on the people of Telangana but also for fostering sustainable economic growth and development in the state.

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