

CHAPTER – 19

INFLATIONARY PRESSURES ON ECONOMY

An economy can be highly characterized by inflationary pressures on its economic resources. Lack of understandings in the economic eras is the main reason for inflationary pressures on the economy. To counter inflationary pressures on the economy let us explore various perspectives to control inflation in the country. The correct posture of development will become evident only when inflation is under reasonable limits at all points of time.

Fiscal deficit should be within reasonable limits to control inflation within small levels. The fiscal allocation in the budget highlights the prospects for the economy which can lead to inflationary pressures if they do not match the correct perspectives for which they are designed in purpose. The fiscal allocation if it is too much in excess from previous allocation in the budget then the potential of the market may fail to respond to money supply which will manifest in price rise thus leading to inflation in the economy. Therefore the potential of the market should always be on the footholds to demarcate correct justice based opportunities and distribution of financial resources to the organizations. The fiscal allocation on the part of the government demands that market should respond to its activities. The money demands in the markets to respond to the government activities thus increases. The response from the market can lead to large money supply in the markets which is to lead into business and other developmental folds. The processes may fail to gain profit which as such means that to be able to perform to the level of profits the price rise becomes mandatory thus inflation becomes high in the developmental procedures. Large fiscal deficit means large money input into the market such that the means and achievements are not keeping pace with each other. Thus to achieve to the level of understandings prices go high and henceforth manifests as inflation in the economy. To avoid such situations the fiscal deficit should be kept under reasonable limits so that even if the potential of the market is not evident than also there is active pace of development and inflation is under check. To demarcate best opportunities to the public it is essential to systemize financial resources of the country such that means and achievements keep pace with each other.

The developmental strategies for most of the countries are dependent on resources based outside of the country. This as such requires foreign exchange to highlight prospects for the country. The clause in itself becomes highly elaborate to be expressive in terms of gains on developmental front. The policy to resort to foreign exchange gains needs to be enforced strictly such that we can define the levels of development in the country. In search of foreign exchange the quality system of business grounds which brings in foreign exchange should be wide ranging to control the inflow and outflow of currency from the country. Business standards should be primarily associated with quality

views such that a wide ranging quality system can be established in the country. Business standards of quality outlook have the potential to drive the sentiments of the markets to pursue ventures which are long lasting and virtuous to the public domain. Some of the market manifestations can be attributed to the extent as participating in international ventures which can bring foreign exchange to the country. The gains on foreign exchange will now highlight prospects for the country in technical domain which are highly dependent on industrialized nations. Thus there will be direct support to developmental policies. Wide ranging quality system will enhance financial resources of the country and foreign exchange benefits will highlight international outlook of the country. Thus balance of payments situation will improve or to say outflow and inflow of currency will be under control. Participation in international economy will help to keep the value of dollar under check and henceforth reduce inflationary pressures on the value of rupee.

Human resources in the country should be widely developed such that high potential pupil of the country can perform up to the international level and can avail services in foreign countries. This will help in bringing foreign exchange to the country. This will usher in various benefits to the developmental policies in the country. Human resources of high potential will not only provide foreign exchange to the country but will also give participation in technical fields of the country and will support the industrial base of the country. This will reduce inflationary pressures on the economy. By becoming fully accustomed with industrial standards to maintain recourse to profits these foreign nationals will be highly helpful as they would give expectations both in technology and monetary folds.

Products of wide sales should be firmly supported to reduce the cost of the product which will help in reducing inflation. A product of wide sale has the potential to mark the generosity of the masses thus a large system of sales will help in keeping its price under check. The variations in the cost of the product can be maintained to small changes in long terms such that satisfactory performances of sales will generate capital which will help in curbing inflation. The monetary power maintained for long terms will help in savings which can manifest in satisfactory financial accounts while maintaining the sale of the product. Thus product of wide interest should be sold widely such that capital generated will help in curbing inflation. Products of wide interest are variously consumer goods which maintain low prices while small sales of products in the technical domain need to be sold by correct rank and file. This will check inflation to reasonable levels.

Developmental policies should be strictly adhered to principles of welfare state policy. The welfare term of development leads to continuous rises in monetary powers on uniform basis and can lead to absolute prescription on developmental front. The purpose of development should be located into manifestation of values in the public which as such can be in clause only with welfare state policy. The attributes of developmental policy should be located in increasing the monetary powers of

the populations in the descending order of state of economic perspectives from rich to the poor. The attributes of welfare state policy are always completely in tune for political system of the country and thus political climate will also help in keeping up the tempo of developmental policies. Pressures of inflation are surmountable if new beneficiaries are located on uniform basis.

Inflation is reduced if quality of the product is kept at stake. Pricing system should be strictly based on quality. When quality is kept at stake than there is competitive approach in business streams and there is an active pace in development. Only good quality products survive in the market and hence forth quality leads to saving of money. Pricing system can be kept under check by maintaining competitive approaches which helps in curbing inflation. Quality manifestations are such that it tries to optimize the performances of sale of product by being virtuous in various perspectives to the circumstances. Thus these quality manifestations have the potential to mark a large system of sales and in all probabilities they try to bargain on the price levels which often make for reasonable pricing system.

Business standards should adapt to correct rank and file of the product. Business standards should be adapted to improve upon quality of development and should not be oversubscribed to fill personal purse. Business standards should be such that correct rank and file of the product finds correct rank and file of the customer. This way prosperity can be based with all class of persons. Business standards should thus be adopted to improve upon quality of development. Affluent cities need not base business standards but poor cities should definitely base business standards to correct rank and file of the product. This way savings can be based with the public and business by itself will not mean filling personal purse. Quality of development is improved if correct rank and file of the product finds correct rank and file of the customer. When quality of development is improved upon than inflation can be kept under check. It so happens that a product is variously very attractive and societal stream of thinking guides people to run after this product without any serious thinking. This ruins the financial resources of the person and hence inflation rises upwards.

Large transformation in social life should be avoided to keep prices in control. Large transformation in social life jeopardizes the economic prospects for the people as the small measures of monetary change do not reflect in the potential of the market while the shortfall of mass participation widely hampers economic growth. Large transformation in social life in clause new ventures of modern outlook getting established which are yet to be in clause as fruitful grounds to the people. This leads to inflationary pressures on money and prices go high. Thus social culture adherence should be followed in economic thinking so that inflation can be kept under check.

Policy of self reliance in the planed policies of development for the country will help in curbing inflation. Policy of self reliance means only those streams of products are in the markets which are

variously produced in the country. Policy of self reliance means those fields in which country has reached self sufficiency only those fields are released to the public. Policy of self reliance in country like India would mean curbing sale of foreign products in the country and domestically produced products are sold widely. Dependence on foreign goods will lead to sharp rise in inflation and prices of domestically produced products will rise sharply. Consumption of gold and technical products of foreign countries should be avoided to large extent so that prices in the country can be kept under check which will help in curbing inflation.

Government machinery should avoid large expenditure on useless ventures so that money demands are low and reasonable. Thus this attribute will help in curbing inflation. Large expenditures are money used in frequent elections, calamities, disasters etc. curbing this type of expenditure will help in curbing inflation.

Targets of development should be welfare of mankind and should not be supposed as military power will help in bringing prosperity in the country. Curbing defense expenditure will help in curbing inflation.